هكذا من الاجل

Financial Times December 7 1976

FINANCIAL TIMES

No. 27,143 Tuesday December 7 1976 **10p

CONTINENTAL SELLING PRICES: AUSTRIA Sch.13; BELGIUM Fr.22; DENMARK Kr.3; FRANCE Fr.2.50; GERMANY DM1.70; ITALY L.400; NETHERLANDS Fl.1.75; NORWAY Kr.3; PORTUGAL Esc.17.50; SPAIN Pts.35; SWEDEN Kr.2.75; SWITZERLAND Fr.1.70.

NEWS SUMMARY

GENERAL

Cape police kill five

...e Africans were shot dead ...14 wounded by police in ...e Town. Nearly 30 houses ... the black townships of ...guletu and Nyanga were des...yed by fire.

...ighting broke out in Nyanga ...n militant youths tried to ...event contract workers from ...g to their factories in accord...e with a call circulated at the ...k-end for a two-day stay-...y. Page 6

...r. Henry Kissinger, U.S. Secre...y of State, is to have talks in ...don this week with Mr. James ...laghan, Prime Minister, and ... Anthony Crosland, Foreign ...retary, on Britain's role in a ...ure Rhodesian settlement. ...k Page

...an sacked over '...bs for sale'

...hop steward has been sacked ... alleged involvement in a ...s-for-sale racket at Leyland's ...body plant, Castle Bromwich. ... Bob Knight, 56, an engineer-... union convener, was sus-...ded a month ago while ...iries were made into claims ... he accepted £50 bribes to ...men jobs at the factory. He ...led allegations. Page 11

...ajority of 2

... Government had a majority ...two on the second reading of ... National Insurance Sur-...rge Bill to add £1bn. to em-...yers' National Insurance con-...utions. ... Debate, Page 12

...ow ... gales

...er ice, gales struck Britain: ...rmen were saved by helicopter ...er their yacht capsized in the ...annel; the ten-strong crew of ... Panamanian vessel Lyrma ...s rescued from life rafts after ...ndoning ship eight miles off ...rt Point; a search was ...nched for a man whose boat ... into trouble off the Norfolk ...st; fallen trees in Lincoln-...e made driving hazardous; ... a tug was called to the aid ... the Greek tanker Leonidas, ...00 tons, which had a power ...ure two miles off St. Anns ...d, west Wales.

...eff honoured

... Marcus Sieff, chairman of ...ks and Spencer, was elected ...nessman of the Year. Page 7

...rcels hitch

... parcel service to Northern ...and is being suspended be-...e of unofficial industrial ...on by staff in Belfast, the ... Office said.

...e Scotbrits

...e has been bought in main ...tish newspapers by the Scot-... ls British Campaign in ...r to state its complete oppo-...n to the Devolution Bill.

...atcher plea

...er co-operation between ...opean Conservative parties to-...nd the idea of a community ...h was free and respected ...rights of the individual was ...d by Mrs. Margaret Thatcher, ...osition leader, when she ...e in The Hague at the Neth-...nds-British Chamber of Com-...e.

...nce priority

... incoming U.S. Secretary of ..., Mr. Cyrus Vance, placed ...est priority on getting the ...egic arms talks out of the ...ums. Page 5

...vernment move

...ew Lebanese Government is ...cted to be announced to-day ...-morrow by Mr. Elias Sarkis, ...ident. Page 6

...ather-bedded

... Bewick swan and Brent ...e, which winter in Britain ...breed in the Soviet Arctic, ... to be given greater protec-... under an agreement signed ...ussia and the U.K.

BUSINESS

Equities gain 4.8; gold up $3½

● EQUITIES were quietly firm. The FT 30-Share Index rose 4.8 to 310.1. Rises led falls in Industrials by 7-2. BP gained 26 to 780 as speculation about the sale of the Government's 20 per cent. ex-Burmah stake revived.

● GILTS scored widespread gains. Government Securities Index rose 0.29 to 58.57.

● STERLING fell 60 points to $1.6570 and its weighted depreciation widened to 45.4 (45) per cent. Dollar's weighted average reverted to a 0.03 per cent. depreciation from a 0.03 per cent. appreciation.

● GOLD gained $3½ to $134½ ahead of to-morrow's IMF gold auction.

● WALL STREET closed ... higher at 961.77 on hopes that the Carter Administration will stimulate the U.S. economy.

● U.S. TREASURY Bill rates fell to the lowest levels since August, 1972. Threes were 4.383 (4.466) per cent.; Sixes 4.516 (4.567) per cent.

Imports boost U.K. car sales

● BRITISH CAR sales rose 37 per cent. last month compared with November, 1975, because of the large total of imports, many from associate Continental plants of the big U.S. multinationals in Britain. Page 8

● THE TUC has persuaded its liaison committee with the Labour Party to set up a joint working party to consider the options for the form of a wealth tax, which was omitted from the Government's recently-announced legislative programme. Back Page

● RUBERY OWEN maintenance men ended their unofficial strike, which has made 9,000 motor industry workers idle, but Leyland toolroom workers in the Midlands stopped work in a protest move over pay differentials. Page 11

● THE EEC has proposed to Japan that shipbuilding orders over the next two years should be divided so as to guarantee European yards a half-share of new work. Page 4

● MACHINE TOOL industry is showing considerably more interest in the Government's £20m. aid scheme since it was altered four months ago to attract small companies. Page 7

Rugby chairman

● LORD BOYD-CARPENTER, deputy chairman, is to take over from Sir Halford Reddish as chairman of Rugby Portland Cement. Sir Halford described the appointment as "most inappropriate." Back Page

● LONDON AND OVERSEAS Freighters' trading profit in the half-year to September 30 advanced to £4.75m. (£3.06m.). Page 32 and Lex

● HILMAR REKSTEN, the troubled Norwegian shipping group, is to receive loans of $100m. arranged by a syndicate of banks. Page 34

...EF PRICE CHANGES YESTERDAY

(...es in pence unless otherwise indicated)

RISES		
...sury 8½pc '80-82	£84¾	+ ¼
...sury 15¼pc 1996	£98½	+ ½
...r Fell	211	+ 123
...ham	346	+ 8
...h Northrop	94	+ 6
...	145	+ 4
...Portland Estates	200	+ 8
...	241	+ 5
...ness (A)	110	+ 5
...mere Estates	158	+ 4
...ker Siddeley	400	+ 6
...soll	40	+ 3
...-E-Ze	36	+ 5
...ht. Agency Music	53	+ 4
...hwiel	104	+ 9
...s (A.) Bureau	381	+ 18½
...ead	113	+ 11
...t	91	+ 5
...ential Assur.	99	+ 6
Reckitt and Colman	300	+ 8
Spear and Jackson	92	+ 5
Stock Conversion	148	+ 4
Tate and Lyle	240	+ 6
Taylor Woodrow	212	+ 6
Thomson	360	+ 5
Tunnel Hldgs. "B"	126	+ 5
Vickers	130	+ 6
Weyburn Engineering	325	+ 7
Whitecroft	84	+ 8
BP	780	+ 26
Shell Transport	414	+ 6
CRA	245	+ 15
Cons. Gold Fields	164	+ 6
Randfontein Estates	£24½	+ 1
Selection Trust	410	+ 15
Utah Mining	410	+ 30
FALLS		
Preedy (A.)	22	− 4
Harrisons & Crosfield	362	− 13
Gold Mines Kalgoorlie	3½	− 16¼
Northgate Expln.	390	− 30

Heath reaffirms his defiance over devolution

BY RICHARD EVANS, LOBBY EDITOR

A defiant Mr. Edward Heath last night reaffirmed his belief that Scotland should achieve "full and effective devolution" and made it clear that he would ignore the Shadow Cabinet call for total opposition to the Government's Scotland and Wales Bill.

His declaration, made in a speech to Glasgow University Conservatives, means that Mr. Heath will be regarded as leader of the group of Scottish and English Conservative MPs who remain determined to defy the party's three-line whip and either abstain or vote for the Government's Bill.

There were increasing signs last night of a division over tactics at the top of the Conservative Party with hard-line members of the Shadow Cabinet calling for the resignation of Mr. Alick Buchanan-Smith, the pro-devolution Shadow Scottish Secretary, if he decides to abstain at the end of the second reading debate on the devolution legislation on Thursday week.

There was confusion over Mrs. Thatcher's comment at Bradford on Friday when she suggested that a three-line whip—the strongest type of voting instruction—could not overcome an MP's conscience. This was taken to mean that Conservatives could safely abstain without fear of reprisal.

But it was emphasised yesterday that while a "soft" line would probably be taken with most rebels, it would not be permissible for Mr. Buchanan-Smith or Mr. Malcolm Rifkind, and other front bench spokesmen on Scottish affairs, to defy a three-line whip and retain their jobs.

The two spokesmen, who are relying on the continued backing of four other pro-devolution front bench Scots to save them from dismissal, have until Thursday, when the whips issue their voting instructions to make a decision.

They have been warned that they cannot possibly speak on devolution during the four-day Commons debate if they do not accept the official Shadow Cabinet line.

There remains some confusion about disciplinary tactics because of the absence at The Hague of Mrs. Thatcher until to-day. Her comments about conscience had apparently not been discussed by the Shadow Cabinet.

Mr. Heath made a double declaration in his Glasgow speech by reaffirming his determination to maintain the unity of the U.K. and by re-stating his deeply-held belief that within that unity Scotland should achieve full and effective devolution.

The former Conservative leader underlined his defiance by stressing his belief that a large majority of Scots, including those in the Conservative Party, were determined to obtain meaningful devolution for their country.

By this he meant a system of directly elected government which would allow them far greater scope in running their own affairs and for which they were prepared to accept responsibility.

In a pointed reference to the Shadow Cabinet decision to oppose the Government's Bill, he added that what he found depressing was that so many people in England had not begun to learn of the debate in Scotland, and did not yet appreciate the strength and balance of opinion on the issue.

He had found that since the Conservative Party took the lead in 1966 in launching an inquiry into legislative devolution, public opinion in Scotland had advanced considerably and what might have been generally acceptable in 1969 was now considered inadequate.

"It is now necessary for the form of devolution to provide fuller opportunities and greater responsibility in Scotland than was originally envisaged," he declared.

This comment is in direct contradiction to the general view

Continued on Back Page

Japan's ruling party may salvage its majority

BY CHARLES SMITH, FAR EAST EDITOR — TOKYO, Dec. 6.

AFTER LOSING its absolute majority in the Lower House of the Diet for the first time since the party was founded in the mid-1950s, Japan's ruling Liberal Democratic Party appeared to-night to have salvaged its position when it was announced that eight independent conservatives had rallied to its side.

Mr. Takeo Miki, the Prime Minister, also said that the party expected further support from conservative politicians.

But the switch-over of eight members means that the LDP will have 257 seats or over half the number in the enlarged 511-seat assembly.

This is, however, well short of the 271 seats that the LDP would need to control all the committees in the lower house—and below the target Mr. Miki set himself during the campaign.

Mr. Miki's own political future, however, is still in doubt and will be the main point of controversy during the coming days.

At a post-election Press conference, he gave no sign that he intends to resign as is expected of him by most of the party.

He said that he felt himself "chiefly responsible" for the LDP's poor performance but then went on to imply that he also felt responsible for putting the party back on its feet again.

Any attempt by Mr. Miki to stay on after the election will have to surmount bitter opposition from the intra-party group led by Mr. Takeo Fukuda which has been campaigning for the Prime Minister's resignation since the middle of the year.

Earlier in the day, it had seemed that the LDP's loss of an absolute majority would leave it in a weak position in bargaining with other parties over a coalition. An alliance that would bring members of other groups into the Government still cannot be ruled out.

The 249 seats that the LDP won were less than most opinion polls had predicted. Of the other parties, the Japan Socialists, traditionally number one opposition party, increased their Diet seats from 118 to 123 though two of the JSP's leaders lost their seats—giving the impression that voters felt the socialists were as much in need of a clean sweep as the Government.

The Communist Party's strength dropped from 39 to 17.

The middle-of-the-road Buddhist-oriented Komeito ("Clean Government Party") won 55 seats and is now the second-largest opposition party after the Japan Socialists.

The anti-Communist Democratic Socialist Party won 29 seats, against 19 it held before the election, and the six-month-old New Liberal Club won 17.

The NLC was formed last June when its leader, Mr. Yohei Kono, defected from the LDP with five followers in a bid to provide voters with an "alternative conservative party."

Mr. Kono's idea succeeded beyond anyone's expectations and he now would like to occupy a pivotal role in the balance of power between the LDP and the traditional opposition parties.

In the line-up against Mr. Miki, his one-time ally, Mr. Yasuhiro Nakasone, who heads the fifth largest LDP faction, also appears to have decided that it is time for the Prime Minister to go.

Mr. Nakasone told the Japanese Press this afternoon that Mr. Miki should accept his responsibility for the party's defeat and step down from the Premiership. He did not, however, express support for any successor to Mr. Miki.

The Liberal Democratic defeat can be put down to combined effects of the Lockheed affair and the demoralisation caused by the open party splits of the past few months.

It also appears to reflect the general public reactions against established political groupings, and a search for new faces.

Apart from the six political parties which won seats on Sunday, 21 independents were elected, including the eight who have now swung over to the LDP.

The total of 21 includes an estimated 10 or 12 conservatives unable to obtain LDP endorsement for their campaign (a normal situation in Japanese politics) but who would normally be expected to join the ruling party after the election.

The Tokyo Stock Market reacted to the election result this morning with an initial 54-point dive, but subsequently picked up.

Editorial Comment and feature Page 14

Wholesale prices rise again

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE RATE of increase in prices charged for manufactured goods at the factory gate accelerated again last month as a direct result of the steep fall in sterling earlier this year.

The home sale index rose by 1¾ per cent. in November and has increased by 8.8 per cent. over the last six months, according to figures published yesterday by the Department of Industry.

This rate of increase has followed the sharp rise in raw materials prices — 13.7 per cent. up during the last six months — which has more than offset the impact of pay restraint and, in turn, explains the more pessimistic view on the cost of living next year being taken by all forecasters.

Mr. Denis Healey, Chancellor of the Exchequer, told the Commons last week that he expected inflation to remain at its present level well into the coming year.

The Government has not been more specific than this but various non-Whitehall forecasters, including the National Institute, have projected a year-on-year increase in 1977 in the range of 13 to 15 per cent., and there are higher forecasts.

The outcome will depend both on the success of the pay policy and on the future course of sterling, but the relative firmness of the pound during the last few weeks has already had affected favourably the cost of industry's raw materials.

WHOLESALE PRICES (1970=100)

		Output prices (homes sales)	Materials and fuels
1975	1st	176.0	220.9
	2nd	186.3	225.6
	3rd	193.4	239.3
	4th	199.1	256.1
1976	1st	206.9	266.5
	2nd	214.4	292.6
	3rd	223.2	306.8
1976	April	211.5	286.3
	May	214.8	292.0
	June	217.0	299.6
	July	219.8	302.0
	Aug.	223.4	304.4
	Sept.	226.3	314.4
	Oct.	229.9*	327.8*
	Nov.	233.8*	331.9*

* = provisional
Source: Department of Industry

The raw materials index rose by 1½ per cent. last month after a 4½ per cent. rise in October. The slowdown reflects the fact that there was little difference in the average value of sterling between October and last month despite sharp movements within each month.

The slowdown was most marked for the index excluding the food sector which rose by only ½ per cent. in November as a result of higher prices for imported softwood and plywood, and nickel.

The average value of sterling so far this month is higher than in November so it is possible that if the pound remains firm then this index could decline. But there are still sizeable recent raw material increases—9.2 per cent. in the last three months alone—which have not fed through completely to the output index, as well, of course, as the threat of higher oil prices after the forthcoming OPEC meeting.

Moreover, the index of

Continued on Back Page
Editorial comment Page 14
Retail sales rise Page 8

Gilts up as tap stock runs out

BY MICHAEL BLANDEN

PRICES of gilt-edged stocks moved ahead yesterday afternoon after news that supplies of the official long-dated tap stock had run out.

Markets remained uncertain ahead of the economic package expected next week, though there are hopes of a renewed downturn in short-term interest rates in the fairly near future.

The hopes were slightly dampened yesterday by a decline in the value of sterling on exchange markets. The pound ended the day with a fall of 60 points from Friday's closing level at $1.6570, with its effective depreciation from December 1971 levels widening from 45 per cent. to 45.4 per cent.

The exhaustion of the long tap, Treasury 15¼ per cent. 1996, of which £600m. was issued on November 11, helped the gilt-edged market to end with rises of up to ½. The Financial Times Government securities index gained 0.29 to 58.57.

The market thought the Government might announce a replacement stock issue quickly, though the timing may be affected by the expected package.

Meanwhile, the money market saw slightly lower interest rates, with rates on Treasury bills suggesting the possibility of a further cut in the Bank's minimum lending rate on Friday from 14¾ per cent. One discount house offered to buy bills at under the 14 per cent. level which would trigger a cut.

Offshore exploration

To mark the opening of the Offshore International Conference and the Offshore International Exhibition at the National Exhibition Centre in Birmingham to-day, the Financial Times is publishing a 14 page-survey on Offshore Exploration.

Arab-Israeli co-existence hopes rise

BY RICHARD JOHNS, MIDDLE EAST EDITOR

ISRAEL responded to the challenge of the mounting Arab peace initiative yesterday by requesting formally the early reconvening of the Geneva peace conference on the Middle East.

This surprise move followed the release of texts of interviews with President Sadat of Egypt and Mr. Yassir Arafat, chairman of the Palestine Liberation Organisation, in which the two Arab leaders speak more positively than ever before of the possibilities of coexistence with Israel.

In an interview with Time magazine the guerilla leader spells out his willingness to establish an Arab Palestinian State in land evacuated by Israel in any agreement, while Mr. Sadat is quoted by Newsweek magazine as offering to negotiate a non-belligerency pact with Israel before the Jewish State withdraws from all occupied territories as part of an overall peace settlement.

At the same time President Hafez al Assad of Syria arrived in Amman for talks with King Hussein which are expected to concentrate on formulation of a concerted approach to resumption of the U.S. peace initiative by the new Administration next year. Later this week the Syrian leader flies to Cairo to meet President Sadat.

In response to these diplomatic moves Israel submitted a draft resolution yesterday to the UN General Assembly calling for a reconvening of the Geneva conference, which first met briefly late in 1973 in the wake of the October War, "without delay" and without preconditions.

But while requesting the participation of the original participants — Egypt, Syria and Jordan — it made no reference to the PLO.

Subsequently, a group of non-aligned countries to-day proposed that the General Assembly request the reconvening of the Geneva Conference not later than March 1 next. Complemented by another stating explicitly that the PLO participate in the peace talks, the resolution was submitted as an alternative text to the Israeli one.

Israel has so far resisted reconvening of the Geneva conference, and opposed a comprehensive settlement.

In response to the Israeli move the UN delegate of the Soviet Union, which with the U.S. is co-chairman of the Geneva conference, was quick to agree that it should be resumed, but "with the direct participation of the PLO."

In his interview with Newsweek President Sadat said: "I don't think that there is any alternative except Geneva." With reference to the approach pursued by Dr. Henry Kissinger, U.S. Secretary of State, he added: "Step-by-step policy has ended."

He continued: "As I see it, let us propose a peace agreement. First of all a state of belligerency has prevailed in this area since the creation of Israel 28 years ago.

"Let us end this state of belligerency officially in this peace agreement by all parties concerned. After that, this should be linked with complete withdrawal by Israel from the Arab land occupied after 1967."

President Sadat also said that he would not "oppose" the idea of a single delegation representing the Arabs at Geneva. This confirmed his belief in a collective negotiating body as a means of overcoming Israeli opposition to PLO representation.

Neither President Sadat nor Mr. Arafat said anything new in substance, but the timing and emphasis of their interviews is signicant. The PLO leader also went further than before in suggesting publicly that a Palestinian State established on the West Bank and in the Gaza Strip might be prepared to coexist with Israel.

£ in New York

	Dec. 6	Previous
Spot	$1.6610-6620	$1.6625-6655
1 month	1.72-1.69 dis	1.55-1.51 dis
3 months	4.54-4.50 dis	4.44-4.40 dis
12 months	13.80-13.70 dis	13.60-13.50 dis

For latest Share Index 'phone 01-246 8026

LOMBARD

An 'impossible' tax reform

BY ANTHONY HARRIS

IMAGINE, if you will, a joint committee of Conservative and Labour experts devising a tax reform, and agreeing so far that the result is proposed by the Labour government and subsequently carried into law by the Conservatives. Imagine, further, that it is welcomed by the trade unions because it is strongly redistributive, especially towards poorer families, and welcomed at the same time by the business community because it offers really helpful reductions in marginal tax rates. Imagine that this change is made without any loss of revenue. Imagine finally that the Treasury feels sufficient confidence in this bipartisan approach to index the whole system, thus further pleasing taxpayers of all classes, and ruling out covert increases in taxation arising purely from falls in the value of money.

Incredulous

The whole thing is clearly impossible. It defies all locally familiar laws of politics, and appears to have found a hole in the laws of arithmetic, too. Yet it has happened. This is a straightforward summary of the changes which have just been introduced in Australian income tax, and the manner in which they were agreed. It was presented last week to an almost incredulous audience at the Institute for Fiscal Studies. If there is any remaining common sense among our own practitioners of polarised politics, I hope that senior experts from both parties, not to mention the TUC, will shortly be booking their tickets to Canberra to learn all they can of what has to be done and how.

Before we get to the arithmetic, which is fascinating, I would like to draw attention to what is perhaps the most important lesson of all from the Australian reform: people with above average earning power *are more concerned with marginal tax rates than with the total burden.* They have even proved willing in Australia to pay for the lower tax rates at the margin by swallowing what is in this country regarded as the most politically impossible of all tax reforms—*a reduction in the tax allowance against mortgage interest.*

This conclusion must be slightly tentative at the moment, because one feature of the reform is that it is so complicated that some experts doubt whether high-income tax payers are fully aware of what has hit them. My own knowledge of high earners suggests that this is a rather fanciful doubt; they are very good at doing their tax sums.

I also suspect that if one were to ask everyone earning more, say, than £5,000 a year what they would be willing to pay to secure a reduction of 5 per cent. in their marginal tax rates, the offers would be of considerable interest to the Treasury.

The Australians may, in fact, have found the key to the most troublesome problem facing Mr. Healey or any successor for a long time to come: how to restore incentive when the Government's accounts are in heavy deficit. It is hard to imagine a more valuable discovery.

The alert reader has no doubt already picked up the clue to the arithmetical problem: the Australians have preserved revenue while cutting tax rates simply by widening the tax base. In other words, a number of allowances have been reduced or eliminated. The indexation of those allowances which survive provide a further thick coating of delicious sugar for the pill.

Questionable

The main difficulty about introducing such a reform in the U.K. is first, that as long as salaries are frozen there are no incentives anyway, and second, that we have not quite such a generous spread of allowances to reduce—against private health insurance, for example, or certain kinds of educational spending. On the other hand the really big allowance we do have, against mortgage interest (or rather the absence of a tax equivalent to Schedule "A," against which the interest used to be offset) provides one large sum to go for; and it also seems questionable whether we should provide such encouragement for contractual saving at a time when the Government is forced into deficit to counteract the deflationary effect of the saving encouraged. And if the tax base could be widened, we too could have a reform both redistributive and offering lower marginal rates right up to the top, improving incentive at every level.

A prize so great seems worth attaining even by "unacceptable" means.

RACING — BY DARE WIGAN

Rain rescues Wetherby

ALTHOUGH to-day's meeting at Newton Abbot has been abandoned because the course is waterlogged, rain has washed away the snow at Wetherby and given a clear night racing is guaranteed there.

Even so, having studied the programme carefully, one is left with the inescapable conclusion that only compulsive gamblers will risk much money on any of the six races, with the exception perhaps of the Barnsley Novices 'Chase.

Here Des O'Connor's *Four Star* appears to have an easy task. However, the odds about this ex-New Zealand gelding are likely to be prohibitive.

T. Barnes, who trains at Penrith, Cumbria, saddles *Cumbria Lass* in Div. 1 of the Leeds Novices Hurdle and *Never There* for the Rufforth Handicap 'Chase.

Provided that the Arctic weather in the Carlisle area has not left Cumbria Lass short of a gallop, she is likely to be too good for what is, on paper at any rate, modest opposition.

WETHERBY	
12.30	Cumbria Lass*
1.00	Four Star
1.30	Confluence
2.00	Tartan Tutor
2.30	Birdland**
3.00	Frisky Scot***

Although Never There will give a good account of himself, I doubt if he can cope with Prince Vision, *Birdland and* Kininvie in the Rufforth 'Chase, of which trio I prefer Birdland.

Apart from his recent win, Birdland ran really well in a valuable handicap at Ascot on November 19.

Tartan Tutor, trained by permit-holder Richard Bethell at his home, Rise Park, near Hull, would—provided he is in the mood to give of his best—be something in the nature of a good thing for the Harrogate Opportunity Handicap 'Chase.

Confluence and *Frisky Scot* are suggestions for Divs. 2 and 3 of the Leeds Novices Hurdle. Indeed, Frisky Scot, who is trained by Lady Herries and ridden by David Munro, is my idea of the day's best bet.

This gelding, by Crocket, formerly trained on the Flat by W. Elsey, shaped well when fourth of 17 behind Rilke at Nottingham a fortnight ago.

SALEROOM — BY ANTONY THORNCROFT

Record prices paid for art nouveau

A PRICE OF £26,379 was paid at Sotheby's Monte Carlo sale on Sunday night for an item of *art nouveau*, a pendant designed by Alphonse Mucha and made by Georges Fouquet around 1900. It was the highlight of an auction of arts and crafts produced in the first quarter of this century which produced a record European total of £176,354.

A dressing table made around 1925 by Emile-Jacques Ruhlmann, sold for £6,655; a gueridon aux nenuphars went for £6,235; a Tiffany lamp of the water lily shape realised £5,875; and a Gallé vase £5,755.

Back in London yesterday Sotheby's sold maps, letters and documents for £58,090 on the first day of a two-day auction. A copy of Blaeu's *Le Theatre du Monde*, an atlas published in Amsterdam from 1647-50 with over 100 maps sold for £7,500, over twice its forecast. *Theatrum orbis terrarum*, produced by Ortelius in Antwerp in 1579, made £6,200, three times the estimate. It was bought by the London dealer Burgess.

Jansson's *Novus Atlas* of 1652 made £3,000, and a Blaeu atlas of England and Wales sold to Burgess for £2,800. Herman Moll's "*The World Described*" went to the Map House for £2,400. In a Sotheby's ikon sale, which totalled £49,100, a 17th-century portable Iconastas with 14 small panels fetched £2,500.

The feature of the Christie's auction of English porcelain and Wedgwood was the strong demand by American dealers for Wedgwood items. But the highest price of the day was the £3,800 (plus 10 per cent. buyers' premium) paid by Winifred Williams for an early Derby chinoiserie group of Sight, from a set of the Senses modelled by Andrew Planche. In 1959 Christie's had sold the group for £525.

The London dealer Gordon acquired an extensive Ridgway pink ground dinner service for £3,000. Goldfein, an American buyer, paid £2,500 (slightly below forecast) for a pair of Wedgwood and Bentley black basalt wine and water ewers modelled by John Flaxman, and another American Fleischer secured a pair of Wedgwood black basalt amphora for £2,000.

Goldfein again bought a Wedgwood *pot pourri* vase for £1,000 and a pair of plaques for £900 each.

Elsewhere, A. Amor gave £1,500 for a pair of Chelsea Warren Hastings dishes, and Gordon the same sum for a Coalport blue ground dessert service. The sale totalled £68,145, with about 90 per cent. sold.

Also at Christie's there was a routine Chinese ceramics sale which realised £44,846. A pair of cloisonné enamel candle holders, modelled as standing elephants, went to A. and F. Gordon for £3,200.

Newbon paid £1,100 for a pair of Wu Ts'ai baluster vases; a Swedish dealer Horle gave £950 for 12 *famille rose* plates; and £850 was paid by Newbon for a *famille verte* rouleau vase.

Phillips furniture sale made £26,012. Medcalf paid £600 for a Victorian ebonised dwarf cabinet. Water colours and drawings contributed £8,205, and prints £12,765.

MUCHA PENDANT
The auction highlight.

FILM AND VIDEO — BY JOHN

Training films and the spiral staircase

ONE CLASSIC example of the demonstrative power of film is always prompted by the schoolboys' joke "describe a spiral staircase." There is no comprehensible way without visual simulation, although the Oxford English Dictionary gallantly tries with "winding continuously about and constantly receding from a centre." Many films in the past have shown the effectiveness of moving pictures in explaining such concepts—perhaps the best of all, Halas and Batchelor's animated film *Topology*, about the mathematics of surfaces and shapes; how else could an audience be made to comprehend, as in this film, what happens when an inner tube is turned inside out?

The way in which film functions in such technical situations is unambiguous. But in the last decade a whole genre of training films has emerged concerned with the intangible, elusive aspects of human behaviour in industry—ranging from salesmanship to industrial relations.

Faithful

Two new examples released last week are the first films to be made for the Training Services Agency, dealing with the lesser known concept (in management training) of coaching. Titled *I Owe You* and *Received with Interest*, these use the familiar format of actors, office interiors with a works just down the corridor, and of course a human problem. The faces, the situations, the dialogue are all very faithful to the style—we've been here before many times. Only the subject is changed—learning from this experience of managing, and passing the experience on.

It is one thing translating a physical concept, like a spiral, into easily understood visuals—but I increasingly doubt that film-makers are always being so successful when intangible human elements are involved. In part this must be due to the immensely complex factors in human situations, factors which the film-maker must simplify to suit his medium; and who's to say that we understand all of the human processes involved anyway?

It can be done, however, when the film-maker concentrates on the issues at stake rather than the indefinable processes which lead to them. The old classic British Productivity Council film *Dispute*, although much concerned with the emotional roots behind a strike, gained credibility and insight by relating these roots to the end result on the shop floor. There was nothing hypothetical about it, as is too often the case with contemporary management training films.

Redundancy

Ironically, a new film from the British Steel Corporation that set out with no aspirations to help with human problems almost succeeds on this level. *The Face of Change* began its life as a record film of steel works that were to be pulled down. It developed into a documentary account of the problems of redundancy and the efforts of BSC (Industry)—the Corporation's subsidiary — to create new jobs in these areas. Although it is a fragmented film with a mixture of styles and intentions, it has moments of success—if only because the reality breaks through on the faces of the people involved and in the things they say in interviews. In consequence, there is an unintentional training value behind this; it can be summed up as "caring"—in this case about people's jobs, whereas in more didactic training films it is caring about safety, customer relations or quality control.

If a "training" film can yield a positive emotional change in its viewer, improving his attitude towards a work problem, this is surely more important than trying to instil a list of enumerated check-points. A leaflet will do that job much better, and I doubt that a [illegible] could ever succeed so well because in 20 minutes there isn't time—even if the audience could muster the concentration.

Wisely, Video Arts and [illegible] have avoided the trap in [illegible] joint exercise entitled *[illegible] Have that the Right [illegible] Round*. This is a training [illegible] about the use of slides [illegible] in commercial rather [illegible] educational situations, although the principles are much the same. At its preview, Antony Jay of Video [illegible] stressed that they had [illegible] to avoid a comprehensive approach in the film—leaving that job to an accompanying booklet, *Slide Rules*, written by Mr. Jay.

None the less I have to [illegible] more admiration for [illegible] booklet, which is a superb summary of the do's and don'ts of slide presentation. The film certainly succeed, driving home the importance of rehearsal, the avoidance of slides which rely excessively on words—outrageously seen when [illegible] Cleese does Hamlet's soliloquy with the help of word slides. But the familiar appearance of Cleese in a Video [illegible] film brings less reward when he assumes the unfamiliar [illegible] of trainer rather than [illegible] is also extraordinary that, [illegible] the first five minutes of the [illegible] are emphasising the [illegible] effect of words, the film is [illegible] ing almost exclusively on w[illegible] to get this message across.

Experiments

Still too little is known of [illegible] effects of the training film [illegible] behavioural situations at [illegible] Perhaps it has become too [illegible] in its ways and some bold [illegible] periments are needed. [illegible] while, for those wishing to [illegible] the best of current styles [illegible] offerings, the Lorche Foundation yesterday started a [illegible] of screenings at their [illegible] near High Wycombe—[illegible] continues to-day and on December 13 and 14. Details [illegible] them at High Wycombe [illegible]

TV/Radio

† Indicates programme in black and white

BBC 1

12.45 p.m. News. 1.00 Pebble Mill. 1.45 Mary, Mungo and Midge. 2.00 The Mole and the Transistor. 2.10 Rugby Union: 95th 'Varsity Match: Oxford University v. Cambridge University. 3.53 Regional News (except London). 3.55 Play School. 4.20 Huckleberry Hound. 4.25 Jackanory. 4.40 Animal Magic. 5.00 John Craven's Newsround. 5.10 The Great Grape Ape Show. 5.35 Ivor the Engine.

5.40 News.
5.55 Reporting England.
6.20 Nationwide.
6.40 The Osmonds.
7.10 Gemini Man.
8.00 It Ain't Half Hot Mum.
8.30 Mastermind.
9.00 News.
9.25 My Children, My Children.
10.20 To-night.
11.00 Signs of Trouble.
11.25 Weather/Regional News.

All Regions as BBC-1 except at the following times:—

Wales—5.55-6.20 p.m. Wales To-day. 6.40-7.05 Heddiw. 7.05 Campus. 7.30-8.00 Cawl a Chan. 12.25 a.m. News and Weather for Wales.

Scotland—5.55-6.20 p.m. Reporting Scotland. 6.40-7.10 The Songs of Scotland. 12.25 a.m. News and Weather for Scotland.

Northern Ireland—5.55-6.20 p.m. Scene Around Six. 6.40-7.10 Ten Thousand Feet. 8.30-9.00 Spotlight on Northern Ireland Affairs. 10.20 Mastermind. 10.50 Signs of Trouble. 11.15 News and Weather for Northern Ireland.

England—5.55-6.20 p.m. Nationwide (London); Look North (Leeds, Manchester, Newcastle); Midlands To-day (Birmingham); Look East (Norwich); Points West (Bristol); South To-day (Southampton); Spotlight South West (Plymouth). 6.40-7.10 North (Leeds): Close Up North: North West (Manchester) Sky Hooked; North East (Newcastle) Viking Gold; Midlands (Birmingham) Nothing to Lose; West (Bristol) Black Dance; South West (Plymouth) Peninsula; South (Southampton) The Getaways; East (Norwich) Question 4.

BBC 2

11.00 a.m. Play School.
2.30 p.m. Trade Union Studies.
3.00 Looking at Documentary.
3.30 Peter Donaldson's Illustrated Economics.
7.00 News on 2 Headlines.
7.05 Zarabanda.
7.20 Newsday.
8.15 Floodlit Rugby League for the BBC-2 Trophy.
9.00 Oneupmanship.
9.30 A Royal Club Night on the occasion of the visit of The Duke of Edinburgh to Caesar's Palace, Luton.
10.15 Claude Monet, Master Impressionist (an imaginary autobiography).
11.05 Late News on 2.
11.15 The Old Grey Whistle Test.
11.55-12.00 Closedown. David Markham reads "It Was All Very Tidy," by Robert Graves.

LONDON

9.30 a.m. Felix the Cat. 9.35 Let Them Live. 10.00 Battle of the Bulge. †10.50 Meet Shirley Temple in "Little Miss Broadway." 12.00 Issi Noho. 12.10 p.m. Rainbow. 12.30 Making Things Do. 1.00 News plus FT index. 1.20 To-day's Post. 1.30 The Cedar Tree. 2.00 Good Afternoon. 2.25 Sam. 3.20 Looks Familiar. 3.50 Emmerdale Farm. 4.20 The Arrows. 4.45 Magpie. 5.15 Out of Town.

5.45 News.
6.00 To-day.
6.35 Crossroads.
7.00 The Six Million Dollar Man.
8.00 The New Avengers.
9.00 Dickens of London.
10.00 News.
†10.30 Tuesday Thriller: "Town on Trial," starring John Mills.
12.15 a.m. Operation Model.
12.25 Close: Jacqueline Mackenzie reads from a selection of poems about survival.

All ITV Regions as London except at the following times:

ANGLIA

10.00 a.m. Feature Film: "The Bowery." 11.30 Atishoo, Atishoo. 11.55 The Woozies. 1.25 p.m. Anglia News. 2.00 Houseparty. 5.15 The Muppet Show. 6.00 About Anglia. 10.30 The Collaborators. 11.30 Angling Today. 12.00 Night Gallery. 12.30 a.m. Anthology.

ATV MIDLANDS

10.10 a.m. Foreign Flavour. 10.35 Cool Million. 11.45 Hammy Hamster. 1.20 p.m. ATV Newsdesk. 5.15 ATV Today (part 1). 6.00 ATV Today (part 2). 7.00 Tuesday Movie: "Fire Down Below," starring Rita Hayworth. 10.30 The Collaborators. 11.30 Angling Today.

BORDER

10.00 a.m. Tree Top Tales. 10.15 Anita in Jumbleland. 10.40 Tarzan. 11.30 Atishoo, Atishoo. 11.55 The Woozies. †1.20 p.m. Border News. 2.00 Houseparty. 6.00 Border News and Lookaround. 7.00 Cartoon Time. 7.15 Mystery Movie: Columbo. 10.30 Emergency. 11.30 George Hamilton IV. †12.00 Border News Summary.

CHANNEL

CHANNEL †1.20p.m. Channel Lunchtime News and What's On, Where. 5.15 Around the World in 48 Hours. †6.00 Report at Six. 7.00 Cartoontime. 7.10 The Tuesday Movie: "Fireball Forward." 10.30 Survival. †11.30 Commentaires et Previsions Meteorologiques.

GRAMPIAN

11.30 a.m. Atishoo, Atishoo. 11.55 The Woozies. 1.20 p.m. Grampian News Headlines. 5.15 Breaktime. 6.00 Grampian Today. 6.05 Country Focus. †7.00 The Tuesday Film: "Lady L," starring Sophia Loren, Paul Newman and David Niven. 10.30 Documentary: Soccer violence. 11.00 The Collaborators. 12.00 Evening Prayers.

GRANADA

9.30 a.m. Untamed World. 9.55 Holiday Matinee: "Bonnie Prince Charlie," starring David Niven. 11.45 Baldmoney, Sneezewort Dodder and Cloudberry. 1.20 p.m. House of Treasures. 5.10 This is Your Right. 5.15 Crossroads. 6.00 Granada Reports. †6.35 Mr. Ed. 7.05 Tuesday Film: "Run Wild, Run Free" starring John Mills. 10.30 Police Story. 11.30 North West Sports Personality of the Year. 12.00 The Nature of Things.

HTV

10.00 a.m. Hammy Hamster's Adventures on the Riverbank. †10.10 "Murder at the Gallop," starring Margaret Rutherford. 11.30 Atishoo, Atishoo. 11.55 The Woozies. 1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 5.15 Breaktime. 5.20 Crossroads. 6.00 Report West. 6.22 Report Wales. 6.35 Mr. and Mrs. †7.05 The Tuesday Western: "Only the Valiant," starring Gregory Peck. 10.35 Police Story. 11.35 Phyllis.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.20 Miri Mawr. 4.35-4.45 Wstibethna? 6.00-6.18 Y Dydd. 10.35 Gwen a Helen Tim a Marc. 11.20-11.50 World in Action.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.18-6.35 Report West.

SCOTTISH

11.30 a.m. Atishoo, Atishoo. 11.55 The Woozies. †1.25 p.m. Road and Weather Report. 2.00 Houseparty. 5.15 Calimero. 5.20 Crossroads. 6.00 Scotland To-day. 6.30 Battle of the Comics. 7.00 Write to Isabel. 7.10 Mystery Movie: McCloud. 10.30 Football Violence Versus Silence. 11.00 Late Call. 11.05 TV Movie: "When Michael Calls."

SOUTHERN

10.00 a.m. Baldmoney, Sneezewort, Dodder and Cloudberry. 10.10 "The Death of Me Yet." 11.30 Atishoo, Atishoo. 11.55 The Woozies. 1.20 p.m. Southern News. 2.00 Houseparty. 5.15 Sinbad Junior. 5.20 Crossroads. 6.00 Day by Day. 7.00 "What's Good for the Goose," starring Norman Wisdom. 8.30 Yus My Dear. 10.30 "Hysteria." 12.00 Southern News Extra.

TYNE TEES

10.30 a.m. Starting Point. 10.35 Ed Allen Time. 10.55 Ponny and Sonny. 11.00 Technoflash. 11.30 Atishoo Atishoo. 11.55 The Woozies. 1.20 p.m. North East News and Lookaround. 5.15 Batman. 6.00 Northern Life. 7.00 Cartoon Time. 7.15 Columbo. 10.30 The Tuesday Film: "Shadow on the Land," starring Gene Hackman. 12.15 a.m. Epilogue.

ULSTER

10.35 a.m. Animated Classics. 11.30 Atishoo, Atishoo. 11.55 The Woozies. 1.20 p.m. Ulster News Headlines followed by Lunchtime. 2.00 Houseparty. 3.48 Ulster News Headlines. 5.15 Breaktime. 6.00 UTV Reports. †7.00 Tuesday Movie: "A Town Like Alice," starring Virginia McKenna and Peter Finch. 10.30 Streets of San Francisco. 11.30 Angling Today.

WESTWARD

10.15 a.m. Skippy Rock Slide. 10.40 Randall and Hopkirk (Deceased). 11.30 Atishoo, Atishoo. 11.55 The Woozies. 12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.15 Around the World in 48 Hours. 6.00 Westward Diary. 7.00 Cartoontime. 7.10 The Tuesday Movie: "Fireball Forward," starring Ben Gazzara. 10.32 Westward Late News. 10.35 Survival. 11.30 Faith for Life.

YORKSHIRE

10.30 a.m. The Stationary Ark. 10.55 Hammy Hamster's Adventures on the Riverbank. 11.05 Top Gear. 1.20 p.m. Calendar News. 5.15 Harriet. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Cartoon Time. 7.15 Columbo. 10.30 "Shadow on the Land" starring Jackie Cooper.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Paul Burnett: New Top 30 discs, including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's D.L.T. OK! 5.45 Newsbeat. 6.02 John Dunn (S) (Joins Radio 2 — 8.02-10.00 as VHF). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Pause for Thought. 7.02 Terry Wogan (S) including 8.27 Racing Bulletin, 8.45 Pause for Thought. 9.02-11.30 Harry Carpenter's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.30 p.m. Sports Desk. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1 but including on 1500m only (also 202m Scotland) 2.45 and 3.45 Sports Desk. 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S) including 5.45 Sports Desk. 6.45 Sports Desk. 7.02 Beat the Record. 7.30 Robin Richmond: The Organist Entertains (S). 8.02-10.00 Sport on 2 Special (1500m only, also 202m Scotland). 8.02-10.00 Ragtime to Rock 'n' Roll (VHF and 247m only). 9.02-10.00 Among Your Souvenirs (S) (VHF and 247m only). 10.02 Sports Desk. 10.06 BBC Radio Orchestra (S). 11.02 Ruth Cubbin with The Late Show (1500m only, also 202m Scotland, VHF joins Radio 1). 12.00-12.05 a.m. News.

RADIO 3 — 464m, Stereo & VHF

6.55 a.m. Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Nielsen (S). 9.30 Academy of the BBC (S). 10.40 Scottish University Concert, part 1 (S). 11.20 Interval Reading. 11.30 Concert, part 2. 12.15 p.m. Cardiff Midday Prom, part 1 (S). 1.00 News. 1.05 The Arts Worldwide. 1.20 Cardiff Midday Prom, part 2 (S). 2.15 Schumann's Piano Music (S). 3.05 A Little Light Music (S). 3.50 Cello and Piano (S). 4.40 The Composer in Jazz, part 7: The Present Day (S). 5.25 Tuba Sounds (S). 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued). 6.30 Lifelines: Work and Training. 7.30 The Art of Wanda Landowska. 8.00 Weber and Mendelssohn, part 1 (S). 8.30 Battle for the Slums, by Ray Gosling, part 1. 8.50 Concert, part 2 (S). 9.45 Pause or Paralysis in Planning? (talk by Graeme Shankland). 10.15 French Recorder Music (S). 10.40 Music In Our Time: Elliott Carter (S). 11.25-11.30 News.

RADIO 4 — 434m, 330m, 285m and VHF

‡Medium Wave only.

6.20 a.m. News. 6.22 Farming Today. 6.40 Prayer for the Day. 6.45 Today. 7.00 News and more of Today including 7.25 (VHF) Regional News 7.45 Thought for the Day. 8.00 News and more of Today including 8.25 (VHF) Regional News. 8.45 Yesterday in Parliament. 9.00 News. 9.05 Tuesday Call. 10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 Down Your Way. 11.45 John Ebdon. 12.00 News. 12.02 p.m. You and Yours. 12.27 Top of the Form. ‡12.55 Weather, programme news VHF (except London and SE) Regional News. 1.00 The World at One. 1.30 The Archers. 1.45 Woman's Hour including 2.00-2.02 News. 2.45 Listen with Mother. 3.00 News. 3.05 Festival at Farbridge (S). 4.00 News. 4.05 Gardeners' Question Time. 4.35 Story Time. 5.00 PM Reports. ‡5.50 Financial Report VHF Regional News. 5.55 Weather: programme news. 6.00 News. 6.15 My Word! (S). 6.45 The Archers. 7.00 News. 7.05 The World in Focus. 7.30 It's a Fair Cop. 8.00 Weber and Mendelssohn part 1 (as Radio 3) (S). 8.30 Battle for the Slums (as Radio 3). 8.50 Concert part 2 (as Radio 3). 9.45 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book at Bedtime. 11.00 The Financial World Tonight: News. 11.15 Today in Parliament. 11.30 News.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Nick Lucy with Rush Hour. 9.00 News Extra. 9.20 Richard Vaughan with London Live. 11.03 Jenny Thompson and Diana Rice with In Town. 12.03 p.m. Call In, including 12.45 London News Desk. 2.03 Paul Owens with 206 Showcase. 4.03 Tony Fish with Home Run, including London News Desk. 6.00 Look, Stop, Listen. 7.30 Jenny Thompson and Diana Rice with In Town (as 11.03 a.m.). 8.30 All that Jazz. 10.03 Late Night London. 12.00 Closedown: As Radio 2.

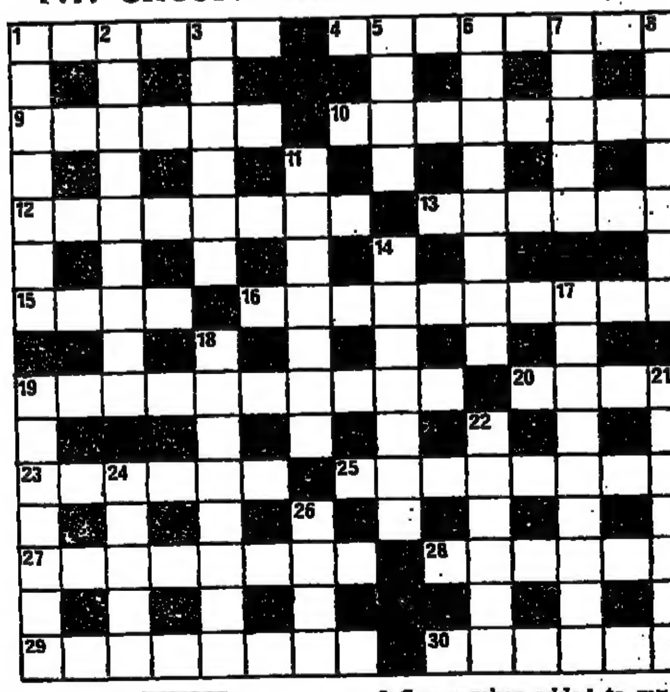
London Broadcasting — 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "AM" London's big breakfast-time show. 10.00 Brian Hayes—talking to London. 1.00 p.m. Newswatch. 3.00 Newsbreak. 8.00 Music in Stereo. 9.00 Nightline. 1.00-4.30 a.m. Nightwatch—news every half-hour.

Capital Radio — 194m and 95.8 VHF

6.00 a.m. Graham Dene: The Breakfast Show. 9.00 Michael Aspel. 12.00 Dave Cash: Cash on Delivery. 3.00 p.m. Roger Scott. 7.00 London Today. 7.30 Open Line. 9.00 Your Mother Wouldn't Like It: Capital's heavy rock show. 11.00 The Late Show. 2.00-6.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 3,253



ACROSS

1 A bird includes a pious wish to dance (4, 2)
4 Narrow feature in Japanese currency (8)
9 You'll find me lost in such accommodation (6)
10 "Full of wise saws and modern ——s" (AYLI) (8)
12 State of the racecourse reveals something about one's self (3, 5)
13 Fashionable transaction in British port (2, 4)
15 The money is clearly not counterfeit (4)
16 A bottle of champagne before work will produce a masterpiece (6, 4)
19 Divided sovereignty is no longer current (4-1-5)
20 The commander with the doctor gets in my hair (4)
23 No bath for the vineyard owner (6)
25 There's fish for the little girl below (8)
27 Former practice discarded by the smart show-jumper (3, 5)
28 Trip for one in a vessel (6)
29 Neutral perch for the dishonest trader (3, 5)
30 Prison officers find the gang aboard (6)

DOWN

1 Pet term for the snake (7)
2 During the season with an eye on 1 down (2, 3, 4)
3 Shelter for two ducks in a Swiss resort (6)
5 Dynasty of taste (4)
6 Car number added to my independence (8)
7 Marks time for one under pressure (5)
8 What is almost unnecessary can be irritating (7)
11 Condition of entry imposed by Noah (2, 5)
14 Where many a schoolboy has a dip (7)
17 Bad promotion betrays the unskilful golfer (4, 5)
18 Cato was reminded daily that it had to be destroyed (8)
19 Statement to the press by a beggar? (7)
21 Loads of refrains (7)
22 Red legend causes difficulty to the Irish Police (6)
24 Tennis player in stir (5)
26 Record in a field event without us (4)

SOLUTION TO PUZZLE No. 3,252

H	O	N	E	Y	S	U	C	K	L	E		C	A	N
E		E		I		P		E		A		A		O
A	C	U	T	E		S	A	T	U	R	A	T	E	D
D		R		L		T		C		T		S		D
G	R	I	M	D	E	A	T	H		H	O	U	S	E
E		T				R		U		L		P		R
A	L	I	M	E	N	T		P	A	I	N			
R		S		A						N		P		S
			W	R	I	T		S	E	G	M	E	N	T
S		U		L		E		H				R		A
H	A	N	D	Y		S	P	O	K	E	S	M	A	N
A		T		B		T		T		N		E		D
P	R	O	M	I	S	I	N	G		S	C	A	M	P
E		L		R		E		U		U		T		A
D	I	D		D	E	R	A	N	G	E	M	E	N	T

ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. 01-836 3161. ENGLISH NATIONAL OPERA. Tonight and Sat. 7.00 Der Rosenkavalier. Wed. 7.00 and Fri. 7.30 A Night in Venice. Thur. 7.30 La Belle Helene.

COVENT GARDEN. 240 1066. [illegible]

[illegible]

THEATRES

GARRICK THEATRE. 01-836 4601. Evgs. 8.00. Fri., Sat. and Dec. 27 6.0 and 8.40. (Friday, December 31, 8.40 only.) RICHARD BECKINSALE in "side-splittingly funny" (Daily Mail) in FUNNY PECULIAR. "More good laughs than any other play [illegible]"

[illegible]

THEATRES

PRINCE OF WALES. [illegible] Evgs. 8.00. Fri., Sat. and Dec. [illegible] 8.45. [illegible] MICHAEL CRAWFORD, FRANCES CUKA in SAME TIME NEXT YEAR. "SIMPLY GREAT." Daily [illegible] "TRIUMPH FOR CRAWFORD." [illegible]

[illegible]

هكذا من الاجل

Trevor Humphries

ryl Reid and Michael Gough in Edward Albee's new play 'Counting the Ways,' which opened last night at the Olivier.

estival Hall

Lazar Berman by DOMINIC GILL

My rather cautious judgment the Soviet pianist Lazar rman after his British debut th the London Symphony chestra last week was in some iall respects confirmed by his lo recital on Sunday after- on—and in many other ways andly refuted.

Perhaps the reservations were, ter all, incidental. It is rtainly unfair to blame rman for the devious work- gs of the publicity machine iich follows him, and which none of his making; and realistic to blame him for no ore than failing to match its iage perfectly. He is without ubt, in his own right—his n, not Richter's or Gilels'— remarkable phenomenon. We ard playing from him yester- y of a quality and high rtuosity rarely heard any- iere: and that, for the moment, quite enough.

His account of Prokofiev's ghth sonata (op. 84), on its n massive, thoroughbred rms, was nearly perfect. There was so much to admire during the performance—the scrupulous attention to detail, to nuances of pedalling, the subtle control of tempi, the meticulous balance of manners and themes, the sheer weight of the presentation—that it was not until afterwards, when the waves had subsided, that one noticed, and then having noticed, began to miss the familiar post-concert stirrings of some of the deeper, darker currents.

No matter that Berman does not always delve deep. On the surfce he is dazzling: and in Liszt's Transcendental Studies, which he gave complete in his second half, he treated us to some of the most physically exciting piano-playing we have heard on the South Bank for years. Nor was the excitement in the least purely mechanical. His *Feux-Follets* may have lacked a certain satanic edge, the moving force of the music a kind of fiendish flicker; but as a study in featherlight *scherzando* brilliantly etched in arboreal light and shade, it could never have been bettered—superb conception. I also liked the Chopinesque reverse climax of *Paysage*—dreamy landscape, tenderly picked out in muted colours; and Berman's marchlike *tempo giusto*, in place of the more usual saccharin religiosity, for the central section of *Vision*.

In the tenth Etude, Berman did achieve real satanic splendour: not one single blemish, nor a half-bar's faltering, to stop the savage momentum. His *pianissimo* sonority in *Harmonies du soir* was no less awesome for its fineness and clarity than his *fortissimo*: thunderous account, like his *Mazeppa*, stamped with its massive martellato octaves, delivered without the least traces of visible effort. Two encores sealed, and confirmed, the programme: a Rakhmaninov Prelude, ravishing in its quiet reserve; and a glittering account of Liszt's arrangement of *Erlkönig*, at a speed which stretched, and once or twice seemed to push quite beyond, every physical limit.

lizabeth Hall

Maria di Rohan by ELIZABETH FORBES

Maria di Rohan, Donizetti's enultimate opera, was first erformed in Vienna during une, 1843; in November the me year the work was staged the Théâtre-Italien in Paris. or this production Donizetti ewrote the second tenor role of rmando di Gondi for the con- ralto Marietta Brambilla, and dded some music, notably a oprano/tenor duet in the third ct. It was the Paris version hat Pro Opera presented on Sun- ay in a concert performance t the Elizabeth Hall.

The libretto, by Cammarano, derived from a play "Un duel ous le Cardinal de Richelieu" nd was originally intended for ellini. Set at the court of ouis XIII the action involves vo duels: in one, which has ken place before the beginning the opera, the Duc de Chev- use killed the Cardinal's phew; in the second, the omte de Chalais challenges ondi for insulting Maria di ohan. Chalais is in love with aria, not knowing that she is cretly married to Chevreuse. the event Chevreuse fights the cond duel as well, in defence his wife's honour.

A third duel, between Chev- use and Chalais, when the former discovers his wife's infidelity, is only averted because Chalais kills himself. This stirring stuff is set by Donizetti with some equally stirring music, especially in the second and third acts, by which time the cast has been whittled down to the basic three characters. A long duet at the end of Act 2 for Maria and Chalais; Maria's prayer in Act 3 and the superb aria for Chevreuse that follows it, are all dramatically apt as well as melodically rewarding.

The title role, written for Eugenia Tadolini, was sung in Paris by Giulia Grisi. Théophile Gautier, most evocative of all theatre critics, took exception to her unusually frizzy hair style and described the beautiful Giulia as "the Venus de Milo in curl papers." Maria's music is expressive as well as florid, and on Sunday Lois McDonall sang with due attention to line in the more pathetic portions of her first act cavatina and in the prayer already mentioned. The two duets with Chalais (tenor), sung by Anthony Roden, were also well shaped and full of dramatic meaning. Mr. Roden has a lyrical voice and found some of Chalais' music rather heavy, but he got carried away in the confrontation with Chevreuse just before the end of the opera.

Chevreuse, a role composed for the great dramatic baritone Giorgio Ronconi, who also sang the part in Paris, is by far the most interesting of the characters; his third act aria, which runs the emotional gamut from distress, pain and sorrow to violent rage, was splendidly sung by Jonathan Summers, whose rich, vibrant tone, eloquent phrasing and strong rhythmic sense all helped to bring Chevreuse to vivid musical life. Della Jones brought fine attack and warm tone to Gondi's music, but the role peters out half way through the opera. Leslie Head conducted the Pro Opera Orchestra and Chorus; he obtained good ensemble but could have allowed the singers more rubato.

Covent Garden

Gérard Souzay

The distinguished French baritone's voice used to resemble a great Tertis viola, admirable for solemn-sensuous Lully, for Bach in reflective moods, for Beethoven's "In questa tomba oscura" and, among the music of his own countrymen, the darker songs of Fauré or Duparc and Ravel's bitter-sweet *Don Quichotte à Dulcinée*. Sad thoughts and slow tempo speeds suited him better, on the whole, than carousal, flirtation or rapid patter. With time the velvet viola quality has lost the bloom and narrowed into plangency more like a cor anglais. But as Souzay's recital on Sunday showed, there is considerable address in the management of what is left. This was not one of the Sunday evenings when one feels the great red curtain is killing the singer's projection.

The programme was cleverly devised to ensure that the voice would have warmed up in time for the main work—Schumann's *Dichterliebe*. Souzay and his ever-admirable accompanist, Dalton Baldwin, gave an intelligent, sensitive reading of the cycle, expectedly short on the supply of warm tone on which one can normally depend from a German baritone, but with insight into Heine's lyrics as well as Schumann's setting of them. There was a happy run from "Am leuchtenden Sommermorgen" up to the final song, which requires more voice than the singer now has to give. Mr. Baldwin reminded us eloquently that there is more than one piano postlude in *Dichterliebe*.

Souzay started with two groups of Fauré. Lovers of this composer's songs would no doubt have preferred one of the late cycles; but few singers, however experienced, would risk starting cold with *Le Jardin clos* or *L'Horizon chimérique*. The selection of early songs was interesting, and for the most part unconventional. The former superiority of slow and sad over fast and light was still noticeable when one compared, say "Chant d'automne" with "Sylvie" or "Mandoline." Much the same applied to a Poulenc group, where the rarely-heard "Le Disparu" and "Jacques Villon" were much more satisfying than the tongue-twisters. Jacques Leguerney, a younger contemporary of Poulenc, contributed for the occasion a new setting of "Come away, Death" from *Twelfth Night*, an ornamental, neo-romantic page, elaborate but pleasing.

RONALD CRICHTON

V & A

A tonic to the Nation

by WILLIAM PACKER

Just as no one under the age of 30 can be expected to remember much about it, so no one over 30 who was in this country in 1951 is likely to have forgotten the Festival of Britain. Certainly it figured large enough in my own 11-year-old consciousness—though I never went near the South Bank and took all of the next ten years to get to the Pleasure Gardens, such as they were. In the end it proved to be a success: about one in every three of the entire population visited at least one of the major sites and at the end of the year there was profit enough to confound the many critics.

The Festival was indeed an extraordinary event, and meant to stand as a symbol of a new-found confidence in ourselves and in the future, and the spirit of an active, united and creative people. It was meant to be fun, a national treat. The idea of its re-examination, therefore, is good, a fascinating prospect. Its nostalgia count is extremely high for a start and, more seriously, the idealism that informed its conception, the political and social controversies that beset it in the years of preparation, its successes and its belly-flopping failures, its subseqent influences over art and design, for good and ill, all warrant close examination.

The exhibition now at the V. and A. has thus been anticipated with a certain keenness: unfortumately, the event itself proves a sad disappointment, an opportunity thrown up. Admittedly, the material for the exhibition, the documentation, publications, souvenirs, ephemera in general, actual Festival hardware, has been surprisingly hard to lay hands on, but what has been retrieved is not too well displayed. There are, for example, several shop windows, all full of things we would like to inspect more closely; yet the space for the cases that might have held them up to our noses is given over instead to spotlights and obtrusive blue scaffolding.

In this way the substance actually available for show is sacrificed to Ambience, the endemic preoccupation of modern exhibition designers. The Festival itself, of course, was as much an exercise in creating Ambience as anything: but now the indistinct echo is worse than no echo at all.

The Museum has been forced by circumstances to prepare this show on a dreadfully constricted budget, and we are all sympathy. But a more straightforward show, arranged in a clear sequence, and showing the exhibits not for effect but as exhibits, can hardly have been more difficult to contrive, or more expensive, than the rather empty tableaux we have been given.

The book to the exhibition, edited by two of the organisers, Mary Banham and Bevis Hillier (Thames and Hudson, £7 and £2.75 p'bk.) is much more satisfactory in treating its subject, a dense and intriguing anthology of fact, informed opinion and reminiscence.

A Tonic to the Nation remains on view until April 3.

Leonard Burt

Peter Lindroos and Heather Harper in 'Ariadne' which opened last night at Covent Garden

Book review

Coco by SANDY WILSON

Chanel by Edmonde Charles-Roux. Jonathan Cape, £6.95. 392 pages

Hitherto my knowledge of the private life of Gabrielle Chanel was confined to what I had learned from seeing her portrayed by Katharine Hepburn in the American musical *Coco*. It was, apart from Cecil Beaton's magnificent décor, a truly dreadful show, the highspot of which occurred, as far as the audience that night was concerned, when Miss Hepburn uttered the American translation of "merde" onstage. As well as being dreadful, it perversely dealt with only the last few years of Chanel's career, beginning with her comeback in 1953, and it seemed to me that its appeal for the largely female clientele lay in proving that you could be old, ugly and a woman and still make masses of dollars.

I don't believe that Chanel herself ever saw the show, and I was told, on fairly good authority, that she was enraged to discover that it was *Katharine* Hepburn who had been chosen to impersonate her. She had been under the impression that it would be Audrey.

This amused me at the time, but now, after seeing the photograph on the dust-cover of Edmonde Charles-Roux's biography, I feel the lady had a point. It is of Chanel in the year 1910, and she was quite exquisite: hard to identify her with the grim-faced ogress wielding her shears in the final illustration. And the book has told me all—or nearly all—that Coco left out, and that is a very great deal. Contrary to all the varying tales that Chanel herself told of her origins, she was the illegitimate daughter of an itinerant hawker, born in a poorhouse hospital, and she began her professional life as a music-hall singer in the garrison town of Moulins, where she acquired a "protector," Etienne Balsan.

From him she progressed to the English coal magnate, Boy Capel, who set her up as a couturier. Her subsequent lovers covered a wide range of class and nationality and included, during the Occupation, a German secret agent here referred to as von D., with whom she planned an abortive peace mission to an old acquaintance, Winston Churchill. There is in fact material here for several musicals, and I hardly feel that *either or both of the Hepburns* would be adequate casting.

With a subject so crammed with glamour and intrigue, it may sound strange to admit that I found this book rather heavy going at times. But Mme. Charles-Roux, a one-time Prix Goncourt winner, seems to have been determined to produce good "literature" as well as a good biography, and her chosen style is something akin to the Ancient Mariner's. She also has an irritating habit of bridging the occasional gaps in her story by firing a question at the reader to which neither she nor we can possibly know the answer. Still, her scholarship and diligence are never in question, although I would like to have read a little more about Chanel, the couturier, and how she and her house operated. Fascinating as her love-life was, it was her work that made her an immortal, and on this Mme. Charles-Roux, despite the great length of her book, sells us a little short.

Whitbread Literary Awards 1976

The winning books of this year's Whitbread literary awards were for biography: Elizabeth Gaskell by Winifred Gérin; for fiction: The Children of Dynmouth by William Trevor; and for a children's book: A Stitch In Time by Penelope Lively.

The winners received their awards — a cheque for £1,000 each and an inscribed silver dish or tankard — from Mr. Alex Bennett, Chairman of Whitbread's, at a Presentation Lunch yesterday at their City Cellars.

In addition, a special award of an inscribed silver box was made in recognition of the work of the late Elizabeth Taylor, and for her last novel, Blaming. The award was received by Mr. John Taylo, the novelist's husband.

The judges were A. J. P. Taylor, David Holloway and Susan Hill.

Stockholm theatre

The Merchant by OSSIA TRILLING

Ulf Johansson and Ingvar Kjellson

I should not be in the least surprised if theatregoers the world over, and not only in Scandinavia, flock to see *The Merchant*. This is the name of Arnold Wesker's first dramatic foray into the distant past which was world premiéred at Stockholm's Royal Dramatic Theatre the other day, some two weeks before its Danish premiére in the City Theatre in Arhus. It has been packing both theatres regularly ever since.

More honoured abroad than in his native England, Wesker now has a second play (*The Four Seasons*) enjoying a similar popularity at the Stockholm City Theatre, where, as it so happens, two earlier plays (*The Friends*, directed by himself, and *The Wedding Feast*) were also originally world premiéred.

His latest play is a powerful, archetypal drama, of Shakespearean inspiration, that yet has a life of its own, wholly independent of *The Merchant of Venice*, many of whose characters and situations it retains. In short, it is a deeply felt rebuttal of Shakespeare's portrait of Shylock. That alone would account for the high regard in which audiences and the Press alike hold it in the enlightened North. Much ink has been split over the years on this contentious matter, and many objections have been voiced on both sides of the footlights, one way or the other, to the traditional view of the inexorably vengeful Jew. Now a gifted Jewish writer has entered the fray armed only with the weapons of the dramatist and victoriously refuted the obnoxious elements of its model.

Wesker's distinctive achievement is to have written an unashamedly pro-Jewish propaganda play in which the didactic element, is cunningly concealed. He preaches the highest human and moral values, yet never at the expense of the need to tell an exciting story in dramatic terms. When poetic inspiration really soars, few English dramatists can touch Wesker.

The action is laid in Venice in 1563, some four centuries after the anti-Jewish pogroms in Britain, to which Wesker plants an insidiously telling reference in the dialogue as a foretaste of things to come. It is now almost ten years since the infamous Papal Bull of 1555 calling on the Jews of Venice to burn their books lest they endanger the loyalty of their fellow citizens of the Christian faith to their Church's teaching.

Shylock, the rich Venetian loan-banker and friend of the merchant-banker Antonio, shares with him a fanatical love of books. In a century in which the recent invention of printing was already beginning to revolutionise the civilised world, both he and Antonio emerge as men of learning and deep-seated culture. The play opens with Shylock proudly displaying to Antonio the books he has illegally secreted and may only now bring out with impunity.

However, offensively discriminatory legislation still disfigures the Venetian statute-book. Before the end of the play—200 minutes later, both men will have to suffer for flouting the law, or at any rate, bringing it into ridicule. Shylock *readily agrees to help his* friend, when asked to assist his friend, Bassanio with a loan, in his mission to the rich Mistress of Belmont. But since the law obliges him to sign a humiliating contract in so doing, both parties concoct the "pound of flesh" clause as the protest of civilised people against a state that treats its Jews as second-class citizens or worse.

The joke rebounds on their own heads, but a *deus ex machina*, in the shape of the erudite Portia, arrives opportunely to save the day for Antonio, at least, if not quite for his Jewish friend, who gets a raw deal by comparison. Faced with further shameful humiliation, he renounces Venice in favour of exile in Jerusalem. This final gesture, interpreted, to my mind wrongly, as one of despair, surely epitomises, even if only symbolically, Wesker's new found philosophy.

Together with Marik Vos's period costumes, Göran Wassberg's sumptuous decor gives a marvellous sense of continuity and a fairy-tale impetus to Staffan Roos's engrossing production, which is based on a revolving stage that brings on the many colourful characters as sculpted figures in a mechanical rotating church-clock. They spring to life as each scene begins and freeze into puppets before being carried round and off again.

By contrast with the sleepy melancholy of Ulf Johansson's Antonio, the Shylock of Ingvar Kjellson (the Tesman of Ingmar Bergman's *Hedda Gabler*) is most effective as a "hyper-active," intellectually alive and passionately committed typical Renaissance man, behind his Jewish gaberdine. The physical stamina and vocal gymnastics of the actor in creating the fascinating role of the obstinate bibliophile, intoxicated with the power of his own over-confident rhetoric, command admiration. Malin Ek, as the rebellious Jessica, Gunn Wallgren as Shylock's patient sister Rivka, Anita Wall as the overpoweringly well-bred Portia, and *Ulla Sjöblom as* the plebeian sensualist Nerissa are others in an uncommonly fine company.

Stuttgart Opera for Glasgow

Scottish Opera Theatre Royal has announced a visit by the Stuttgart Opera Company to the Theatre Royal, Glasgow. The company will give two performances of Hans Werner Henze's earliest opera *Boulevard Solitude* on March 21 and 22 next.

The opera is a reworking in seven scenes of the Manon Lescaut story with a cast of 11, a chorus, a corps de ballet and children's choir. The cast is headed by Sylvia Geszty and Rüdiger Wohlers as Manon Lescaut and Armand des Grieux and is completed by Wolfgang Schöne, Roland Bracht, Martin Finke, Karl-Heinz Eicher, Gerd Praast, Sabine Bartels, Marcis Lesins, Kevyn Haigen, Douglas Horsacek.

The conductor is the young American Dennis Russel Davies and the producer is Hans Werner Henze.

EUROPEAN NEWS

Christian Democrat rift in W. Germany seems final

BY NICHOLAS COLCHESTER

BONN, Dec. 6.

THE SPLIT in West Germany's conservative union appeared final to-night. The third round of exhaustive discussions between the *Christian Democratic* Union (CDU), led by Herr Helmut Kohl, and the Christian Social Union (CSU), led by Herr *Franz-Josef Strauss, failed* to bring the two parties back together. Both leaders now face difficult tactical decisions about whether and when they should move into each other's territory.

The failure of the talks puts the seal on the surprising development of three weeks ago, when the representatives in the Bundestag of the CSU, the Bavarian sister party of the CDU, voted to break away from the CDU in the federal Parliament, where for the previous 30 years they had preserved a common front. In deference to the considerable opposition to the split that welled up in both conservative parties, the leaderships have since tried to repair the rift. *Yet no compromise was* possible on the key question as to whether there should be one or two conservative parliamentary parties.

The way things now develop depends to a great extent on the feelings within the rank and file of both parties. The CDU leadership has already indicated that a move into Bavaria would be the consequence of a breakdown in the talks. Whether this now follows, depends on a vote at a party congress in March. Similarly, a CSU party congress now looks most likely, and any national plans that Herr Strauss might have would come up for discussion and vote there.

The break-up of the CDU/CSU united front is the most significant of four sources of excitement in German politics at the moment. The Social Democrat Party (SPD) is still locked in negotiations with the Free Democrats over the policies to be pursued as a renewed coali*tion Government.*

The CDU and the Free Democrats (FDP) have agreed to form a regional coalition Government in the State of Lower Saxony, and to discuss terms for another one in the Saarland. Finally, there have been further signs of centrifugal tendencies within the SPD.

The Bonn negotiations over a new Federal Government coalition between SPD and FDP are now in their eighth round. There have been some tough problems here—notably the future of a national pension scheme which, because of the slow-down in German economic growth, has become too expensive for its current system of financing.

Despite the inevitable Left-Right strain, *there are no signs* that these talks will fail. The main source of tension arises from the coalition's narrow majority. It could need only five renegade votes from dissatisfied members on the Left or Right to cause a crisis in the re-election of Chancellor Herr Helmut Schmidt and his new Cabinet on December 15.

Additional piquancy is caused by the readiness of the Free Democrats to form coalitions at the State level with the CDU. The CDU and FDP in Lower Saxony agreed over the week-end on a common programme and division of responsibilities. In the Saarland, the local Free Democrats voted in favour of negotiations with the local CDU.

These developments have been on the cards for some time. They may be the thin end of the wedge *which will, in the longer* term, separate the FDP from the SPD and lead to an FDP-CDU coalition at the national level.

The final element of flux in the German political situation is more evidence of the fragility *of the SPD. This is something* that the right-wing Press has been stressing over the week-end. A number of Social Democrats—*their identities remain* unknown, but there are said to be 50 of them—have expressed support for the idea of a new Social Democratic union to the right of the existing SPD.

Herr Strauss has expressed sympathy for this group, which invites speculation that they are in some way linked with his national ambitions. The group has formed in reaction to the SPD's supposed left-wing tendencies. The surprise here is that there should be such a *reaction in the party of Herr* Schmidt—an SPD in which left-wing disgruntlement would seem more likely than disgruntlement *on the right.*

Bundesbank's fund flows reported to be busy

BY ADRIAN DICKS

BONN, Dec. 6

THE WEST GERMAN Bundesbank took in some DM2bn. (£505m.) during October in the course of the flurry of speculative activity surrounding parities within the European "snake" of floating currencies, according to statistics published by the Bundesbank to-day.

Following the real alignment of the "snake" currencies' exchange rates on October 17, much of this influx of funds left West Germany, leading to a drop of DM2.5bn. in the central bank's reserves to DM80.8bn. in November.

The Bundesbank's figures also showed a major change in the pattern of long-term capital movements between 1975 and 1976. During the first 10 months of last year, there was a net outflow of DM14.5bn. during the January-October period. During the same period this year, there was a DM1.2bn. surplus on the long-term capital account.

The first 10 months gave West Germany an overall payments surplus of DM11.7bn., leaving no doubt that the figure for the whole of 1976 will be solidly on the surplus side.

Norway oil ships strike

BY FAY GJESTER

OSLO, Dec. 6.

SOME 300 Norwegian marine engineers employed on offshore vessels mainly in the North Sea, are due to strike from midnight to-night. The dispute will force about 100 Norwegian-owned *supply ships and two crane ships* to return to port, but production on North Sea oilfields is not expected to be hit.

The main *issue* at stake, according to the union, is their members' demand for a special pay and conditions contract for engineers on offshore ships. Shipowners' representatives claim the dispute is chiefly about differential between rates for engineers and other officers.

Both sides agree that business could be lost to offshore vessels from other countries if the strike lasts long.

Brandt puts Socialist case in Madrid

By Roger Matthews

MADRID, Dec. 6.

HERR WILLY BRANDT, president of the Socialist International and a former West German Chancellor, to-day tried to build a bridge between the Spanish Government and and the *country's* largest Socialist party. During a 75-minute interview with Prime Minister Adolfo Suarez, officially *described* as very cordial, Herr Brandt is understood to have stressed the necessity of Spain and the rest of western *Europe drawing together*, and the role that the Socialist Party (PSOE) must play in bringing this about.

Herr Brandt later went on to see King Juan Carlos, while the PSOE, on the second day of its first congress to be held in Spain since *the Civil War*, started its closed-door debates on policy and party structures. The more militant Left of the *still illegal party is distrustful* of the West German Social Democrat influence on the leadership, and is aiming to contest most of the *posts* on the executive in elyections this week.

The suggestion by the party's secretary-general, Sr. Felipe Gonzalez, during his major speech yesterday, that the party might have to be prepared to accept a diluted democracy in next year's general election, so that the way could be opened later for parties which are currently banned, was not well received in all sectors. It was argued that the party leadership was apearing too ready to compromise with a regime which was only attempting a cosmetic democracy.

At a Press conference, Herr Brandt stressed that he had not been negotiating with Sr. Suarez, but merely seeking information. "There is no intention on my part to intervene in the internal affairs of Spain," he added.

Meanwhile, the negotiating team chosen by a wide section of opposition parties to discuss democratic guarantees with the Premier is expected to hold its first formal meeting to-morrow. Sr. Suarez is almost certain to reject the presence of the Communist member of the team, and that will probably lead to further delays.

The regional issue also came to the forefront again when Sr. Suarez received to-night a five-man delegation from Catalonia. This followed violent clashes between police and demonstrators in the Basque provinces. *For the Catalans, the main* issue is their demand for progress towards the re-establishment of their own Parliament, as existed before the Civil War.

Goodwill shown to Catalans by new mayor

BARCELONA, Dec. 6.

A new Mayor of Barcelona took office to-day in what opposition sources saw as a gesture of goodwill by the Government towards the regional sensitivities of Catalonia.

"I am a mayor who has been named to govern the transition from an authoritarian regime to a fully democratic one," said Sr. Jose Socias Humbert, a 39-year-old former official of the state-run labour unions. He displaced the recently dismissed Sr. Joaquin Viola, who was not noted for his sympathy to Catalan regional assertiveness.

Reuter

Bombs disrupt rail service in Lisbon

By Our Own Correspondent

LISBON, Dec. 6.

BOMB explosions disrupted morning commuter rail services between Lisbon and the seaside suburbs of Cascais and Estoril for five hours to-day. Two small bombs on another suburban line caused no damage.

Police said they had no clue to the identity of those responsible for the bomb attacks.

Danes cut discount rate after freezing prices

BY HILARY BARNES

COPENHAGEN, Dec. 6.

THE DANISH Central Bank lowered its *discount rate* from the present record 11 per cent. to 10 per cent., effective to-*morrow*. This follows approval by the Folketing on Saturday of the Government's price and rent freeze measures resolving the *Parliamentary crisis* which arose after oil and petrol tanker drivers went on strike at the end of last month.

The Central Bank said the discount rate reduction was justified by the inflow of foreign exchange since the realignment of European "snake" of floating currencies in October, when the Danish crown was effectively devalued by 6 per cent. against the Deutschemark. The discount rate was raised by 2.5 per cent. on October 5, to protect the foreign exchange reserves.

The official foreign exchange reserves fell to Kr.110m. in September, but recovered to Kr.1,047m. in October and rose to Kr.3,478m. at the end of November. The inflow was so heavy that last month the Central Bank was able to repay all *of its Kr.3bn.* debt to the Bundesbank which arose from West German intervention in support of the crown previous to the *snake realignment.*

The price and rent freeze apply from December 1 until February 28, covering the period until new collective wage agreements come into force. The point of the price freeze is to prevent further unofficial strikes from undermining the Government's 1977 incomes policy, which seeks to prevent incomes from rising by more than six per cent. a year from the date of the conclusion of next year's wage agreements.

The price freeze is rigorous. Although companies will be allowed to raise prices as costs of imported raw materials and input goods increase they will not be allowed to pass on any form of wage increase, whether due to long-term contracts, current collective *wage* agreements, or unofficial strike action.

Originally the Government negotiated with supporting parties on measures to make wage increases illegal and to introduce civil court fines for *strikes* breaching collective wage agreements. The new measures, however, put the onus on the employers to prevent the col*lapse* of the incomes policy.

Economy Minister Per Hækkerup gave assurances during the committee stage of the Price Freeze Bill that the *Government* would not seek to extend it after February 28.

The measures were carried with the support of the Social Democratic, Radical, Centre Democratic and Christian Peoples parties, while the Progress and Liberal parties on the right and the Communists, Socialist People's and Left Socialist parties opposed them.

Paris strikes annoy Gaullists

BY ROBERT MAUTHNER

PARIS, Dec. 6.

THE general strike of newspaper printers here to-day, which followed yesterday's expulsion by police of printers who have been staging a 20-month sit-in at the plants of the Parisien Libéré paper, has heightened the tension between the Gaullist party and President Giscard d'Estaing.

The Gaullists, who yesterday elected M. Jacques Chirac as the new president of a revamped *party, accused the Government* of deliberately timing the eviction of the printers so that reports of yesterday's huge Gaullist rally would *fail* to appear.

Since the printing unions, who organised a noisy protest march in the centre of Paris to-day, have decided to prolong their strike by another 24 hours, *French readers will not even be* given the opportunity to read about the new Gaullist movement in their papers to-morrow.

The newspaper industry was not the only sector to be hit by strikes to-day. Work stoppages in sympathy with the printers also hit gas and electricity services, the Paris metro and the State-controlled television.

The charges of manipulation have been hotly denied by the *office of President Giscard*, who left France for an official visit to Yugoslavia to-day. Presidential aids pointed out that a court order for the expulsion of the Parisien Libéré printers, who have been *protesting against* redundancies, decided by the paper's management, was confirmed by the Paris appeals court *last week. The printers had to* be evicted before negotiations could open to settle the dispute.

Presidential spokesme also stressed to-day that they did not look upon M. Chirac's new initiative as a hostile gesture towards the President. M. Chirac, it was pointed out, had made clear that the Gaullists, under their new title of Rassemblement pour la *Republique (Rally for the* Republic), intended to remain members of the present coalition Government.

M. Chirac made it plain when he resigned that he was dissatisfied with the casual reaction of President Giscard to the prospects of a Left-wing victory at the 1978 general election. He intends to lead an all-out attack on the Socialist-Communist alliance in the run-up to the election, and in doing so risks replacing M. Giscard d'Estaing as the main *champion* of the coalition in the eyes of the electorate.

UPI adds: Tens of thousands of roaring demonstrators marched *through central Paris* to-day protesting against the eviction of the printers.

More strikes have been called for to-morrow, and business leaders were fearful that actions would spread. The demonstrators marched from the Place de la Republique to the Place de l'Opera, shouting, "down with fascist Ponia," a reference to *Interior Minister,* M. Michel Poniatowski.

Europeans delay U.S. arms talks

BY MALCOLM RUTHERFORD

BRUSSELS, Dec. 6.

THE OPENING of a dialogue between Europe and the U.S. on a more equal exchange of arms purchases across the Atlantic has been postponed until well into next year, following the failure of the Europeans to establish a joint negotiating position.

This emerged to-day from the meeting of Defence Ministers of the European group, which includes all European members *of Nato except France and Ice*land. The Ministers were reviewing the work of the European Programme Group (EPG), *formed last February* in order to bring about French participation in arms procurement questions.

Although Mr. Fred Mulley, the British Defence Secretary, expressed disappointment at the delay, it was generally agreed that the EPG had still not completed enough work to allow discussions with the U.S. to begin in the near future. In practice, it has still produced no specific proposals on which co-operation with the U.S. would be possible. The Group was formed with the twin purpose of establishing a joint European arms procurement policy, and of *negotiating* with the U.S. on a more balanced flow of arms traffic between the two sides of the Atlantic. At present, European arms purchases from the U.S. outnumber U.S. purchases from Europe by about 10 to 1.

The EPG will meet again at the level of national armaments directors some time next spring with a view to *singling out* specific projects on which there might be U.S.-European co-operation, or where the U.S. might be asked to buy outright. Even if this meeting were successful, however, its decisions would still have to be approved by Ministers and this is unlikely to happen before September. The dialogue with the U.S. could then open next autumn.

The other notable feature of to-day's meeting was the admission of Portugal. The invitation *to the Portuguese to join* had been on the table since the group was formed in 1968, but this is the first time it has been taken up. Portugal also recently joined the EPG.

Milan radicals avert party split

BY ANTHONY ROBINSON

ROME, Dec. 6.

A MEETING of party leaders to-day averted a potential split in the Christian Democrats between the traditional party and the new anti-Communist radicals, who recently won control over the party machine in Milan. Sig. Benigno Zaccagnini, *the party secretary*, received assurances from Sig. Massimo de Carolis, the Milan leader, that he has no intention of attempting *to split the party but will con*tinue, within the party, to try to persuade the leadership to assume a tougher stance against the Communists and *even con*sider joining the Opposition if necessary.

On the basis of his assurance that he would work within the party, the proposed disciplinary measures against Sig. de Carolis have been dropped.

Sig. Zaccagnini made clear in a speech to local party activists in Bologna this week-end, however, that the new pressure to change the party into an essentially conservative party must be resisted and underlined once again the popular, democratic traditions of the Christian Democrat Party *as a whole.*

But Sig. Zaccagnini's leadership is expected to come under attack at the highly important *national* council meeting which starts on Friday and at which the President of the National Council, Sig. Aldo Moro, is expected to make a key speech outlining his ideas on the future strategy of the party.

This speech, which follows six months of silence since he stepped down as Prime Minister after last June's general elections, is eagerly awaited as an indication of his thinking on the party's future strategy with regard both to the Socialist and the Communist parties. As one of the fathers of the centre-left coalition, he is *expected to indi*cate the sort of political alliances which the party must seek, to move from the present transi*tional phase.*

Some political observers here believe Sig. Moro may be preparing to take over the post of party secretary from Sig. Zaccagnini and to head off the rival candidateship of Sig. Arnaldo *Forlani.*

The outcome of the council meeting could indirectly affect the present Government whose Prime Minister, Sig. Giulio Andreotti, is currently in Washington. The council meeting will also inform the party of the results of this visit.

Oil imports to OECD countries cut by 8%

By Our Own Correspondent

PARIS, Dec…

IMPORTS of Crude oil … products by member … of the OECD fell sharply … per cent. to about 12bn. … in 1975, according to a … just published by the O… secretariat.

The drop in imports … a substantial reduction in … consumption in all three … areas of the OECD—5 per … in Europe, against a 1.6 per … decline in GDP; 2 per … North America, compared … a fall of 1.8 per cent. in … and 6.9 per cent. in … against a rise of 2.1 per … GNP.

But the impact of … demand on imports varied … siderably in the three areas … North America, … declined and imports of … oil and oil products rose by … per cent. In Japan, … dropped by 4.6 per cent. … in Europe the decline was … per cent., reflecting both a … stantial running down of … and the initial impact of … Sea oil production.

The fall in consumption in … three areas was mainly in … fuel oils and naphtha. In … European area, the total … in consumption in abs… terms was accounted for … naphtha, demand for which … nearly 23 per cent., and … fuels for which dem… declined by 9.7 per cent.

In Japan, naphtha demand … by 18.7 per cent. and that … heavy fuels by 7.7 per … while in North America, … fuel oil demand fell by 8.2 … cent. and that for naphtha … per cent.

Demand for petrol, on … other hand, proved more r… ant to reduced levels of econ… activity and went up by 5.… cent. in Europe, 2.4 per … in North America and 8.… cent. in Japan.

The OECD found substa… changes in the pattern of … national trade in crude oil … ing 1975. European imports … Saudi Arabia, for instance, … ped by 23.8 per cent., … those of Japan from the … country rose by more than … cent. and those of the U.S. … by 60 per cent.

U.S. imports from Algeria … rose steeply—by 45 per … while its imports from … increased 55-fold, albeit … very low base, and from … zuela by 23.6 per cent.

European imports from … major traditional sources … considerably. From Kuwait, … *went down by more than* … cent. and from Libya by 3… cent. The only exception … Iraq, whose exports to … European area of OECD … by 13 per cent. Japan … imports from the Middle … by 13 per cent. from Kuwait … by nearly 10 per cent. … Iran.

UPI adds from Brussels: … Chairman of the Intern… Energy Agency said to-day … an efficient conservation … by the U.S. is needed to … the industrialised world's … ing dependence on imported … In North America, the … energy per capita is twice as … as in Europe, and the … oil is twice as low as in … Mr. Etienne Davignon of Bel… *said.*

"Unless something drastic … done by the industr… countries (to cut oil depende… in the very near future, … will come to need more oil … can be produced by existi… *forseeen resources.*"

But Mr. Davignon added … the oil producers also have … interest in maintaining … economic stability, which … be jeopardised by a new inc… in the price of oil. He said … western countries must be … pared to help them develop … economies in an integral … "so that they do not feel … they have a *generation* … of them during which they … work out their policy, and … if they fail, they will have … policy, no oil and no money."

At the same time, he … nised there was a "deep ps… logical block" to be overc… and that the oil producers … proposals from the west … asking something of them, … doing nothing to reform … selves."

DISPUTE BETWEEN GREECE AND TURKEY

Ministers to meet for Aegean discussions

BY DOMINICK J. COYLE

ANKARA, Dec…

RENEWED EFFORTS to improve the present badly-strained *relations between Turkey* and Greece, over both the Aegean dispute and the deadlocked Cyprus question, will be made *in Brussels this week when the* Foreign Ministers of the two countries meet informally and in private. They will both be there for the NATO *Ministerial* Council meeting.

The two Mediterranean countries appear finally to be on course for formal bilateral negotiations, following the recent unexpectedly successful meeting of senior officials in Berne, at which the Greek side accepted the principle that the territorial dispute over the Aegean should, *if possible, be resolved in direct* talks between Athens and Ankara.

The Turkish Government sees this as a significant change in the Greek position, since the Karamanlis Administration had earlier insisted on having recourse to the International Court of Justice at The Hague.

In exchange for this "concession," the Government here is understood to have agreed that its controversial *oil* exploration vessel, Sismik 1, will not be sent back into disputed Aegean waters pending the outcome of *bilateral talks. Meanwhile*, both sides have pledged to "freeze" all public comment on the issue, or on the outcome of the negotiations.

Mr. Ihsan Sabri Caglayangil, the Turkish Foreign Minister, in a wide-ranging interview here with the Financial Times, would not be drawn on specific details, but he indicated a new mood of qualified optimism that the Aegean question at least could now move on to practical negotiations.

The *Foreign Minister* was much less optimistic on any early solution to the Cyprus dispute, insisting that recent *declarations* by Archbishop Makarios in Nicosia "have shown that, instead of negotiations, they still believe in a long struggle and in external pressures such as the (U.S. arms) embargo on Turkey."

Mr. Caglayangil was asked to comment specifically on the recent public call *here for* an immediate UDI by the Turkish Cypriot Administration. The call came from Dr. Necmettin Erbakan, leader of the National Salvation Party, an important partner in the Ankara coalition Government. Mr. Caglayangil replied:

"The Government has a programme presented to the Parliament in which Cyprus is well defined. It remains valid if and until it is amended by arrangement between the partners in the Coalition. Thus, a *bi-zonal* Federal State is still our policy for a final solution to the Cyprus problem. Needless to say, this Federal State will be independent, sovereign, with a non-aligned status and its territorial integrity will be respected."

The Turkish Government is particularly critical over the failure of the EEC to hold, as planned, a Ministerial Association Council meeting in Ankara before the December 1 deadline for a restructuring of Turkey's Association Agreement with the Nine.

Ankara's relations with Brussels right now "could not be worse," Mr. Caglayangil said, and in present circumstances his Government would be forced to suspend its obligations under its agreements with the Community "until such date as the functioning of the association returns to normal."

Turkey, which is scheduled to take its *first step towards* aligning tariffs more closely with the Nine's Common External Tariff on January 1, has been pressing for additional concessions for agricultural exports to the Community, particularly in view of the Preference arrangements made to other Mediterranean countries since the so-called Ankara Association Agreement was signed 13 years ago.

More specifically, although perhaps more for domestic political reasons than anything else, the present Government of Mr. Suleyman Demirel is insisting that the EEC must honour its commitment that freedom of movement for workers … Turkey and the Communit… be secured by progressive … over a 10-year period, … on the first of this month.

This is being oppose… particular by the West G… Government, citing its own … employment situation. An … mated 640,000 Turkish w… are currently in Germany … their remittances home … vital element in helping … Turkey's chronic deficit … trading account.

With the practical cert… that an Association Co… meeting cannot now be arr… before the end of this ye… looks as though the whole … tion of Turkey's continued … tionship with the Commu… will be among the first … problems in the lap of … Anthony Crosland as … assumes the Presidency of … Community on January 1.

THE FINANCIAL TIMES, published … Sundays and holidays. U.S. … $167.00 (air freight) … Second class postage paid at … York, N.Y.

هكذا من الاجل

AMERICAN NEWS

Importers lead in car sales gains

By Jay Palmer

NEW YORK, Dec. 6.

THE SALES gains of new imported cars in the U.S. have, for the second month running, completely outstripped those of domestic car companies. November sales of foreign-made cars in this country rose 28 per cent., compared with a mere 5.6 per cent. rise reported collectively by the four U.S. car makers.

However, unlike the sales boom reported by the importers during 1974 and the then severe petrol shortages, this two-month surge may not necessarily reflect a continuing trend. For one thing, the comparable October and November in 1975 was a period of exceptionally weak imported sales, during a strong domestic sales upturn.

What is now very evident is that the importers have been given unexpected help by Ford Motor's production problems, during its strike and subsequently. When Ford regains its strength, which should not take too long, the importers could find themselves back at square one.

Although the importers clearly showed the strongest gains, they were not alone in collecting extra sales from Ford's troubles. During November, General Motors, Ford's principal rival, also surged ahead with its sales for the month rising 15.9 per cent.

Vance anxious for progress on SALT and Middle East

BY DAVID BELL

WASHINGTON, Dec. 6.

MR. CYRUS VANCE, the incoming Secretary of State, places the highest priority on getting the Strategic Arms Talks (SALT) "out of the doldrums" in the next few months. At the same time he believes that "a re-entry window appears to be opening" in the Middle East and that U.S. diplomatic efforts there must be intensified.

These are some of the points to emerge from a wide-ranging interview with the new Secretary of State, held just after his appointment was announced on Friday and published in a U.S. news magazine this morning.

On other matters, Mr. Vance says he favours a return to the Kennedy-Johnson policy of freezing all arms sales to South Africa, favours a more relaxed approach to Communist parties in Western Europe, notes that it is "terribly important" to keep the North-South dialogue going and urges primary producers to find "areas of mutual interest" with industrialised nations as soon as possible.

Mr. Vance says that the first challenge for the new administration is more closely to define what the Russians believe they mean by detente. Like Dr. Henry Kissinger he appears to believe that detente must be "global," which would not preclude political competition but would rule out such things as the recent Soviet intervention in Angola.

In particular Mr. Vance believes that the Belgrade conference next year on the implementation of the Helsinki Agreement is "tremendously important" and that Western nations have been excessively timid in the way that they have approached the issues arising fro mthe Agreement. He also says that it is time for Western nations to formulate a common position on the problem of the growing "technology transfer" from West to East.

The Secretary—designate says he might avail himself of Dr. Henry Kissinger's assistance in a crisis but that he does not intend to call on him immediately. Arab moderates appear, he notes, to be in control in the Middle East for the moment, which would give the U.S. an excellent opportunity to make real progress provided that internal Israeli political problems do not restrict the Government in Tel Aviv.

Perhaps because negotiations are still in progress, Mr. Vance is circumspect about South Africa, except to express his commitment to black majority rule eventually.

But he clearly favoured "more open" communication with Communist parties in Western Europe and suspects that Communist participation in Western governments may cause more problems for the Soviet Union in its relations with East Europe than within the Western Alliance.

The penalty for failure in the North-South dialogue, he says, will be confrontation and retaliatory economic actions between North and South which would have dire consequences for the world economy. He does not favour the linking of commodity prices to western export prices but "areas of mutual interests must be found as quickly as possible."

Businessmen optimistic

NEW YORK, Dec. 6.

A PICK-UP in U.S. business activity is expected next year by the nation's manufacturers and some of its leading economists.

An informal survey taken by the National Association of Manufacturers (NAM) at the trade group's annual Congress of American Industry in New York found that 94 per cent. of those business executives questioned believe that business will improve next year.

The NAM survey also found that 76 per cent. of those questioned expect as much as a 5 per cent. rise next year in the gross national product, 85 per cent. expect their companies next year to increase production, and 72 per cent. expect their companies to increase capital spending.

AP-DJ

Agreement reached on New York crisis

By Jay Palmer

NEW YORK, Dec. 6.

NEW YORK CITY and State officials, together with leaders of the city's major municipal unions, have at last, after a weekend of hard bargaining, reached some kind of agreement over what any new pact to solve this city's longer-term financial problems should look like.

But while this basic agreement does represent a very real breakthrough in terms of the longer-term fight against city bankruptcy, it does not in any way help to solve the most immediate financial crisis facing New York.

The city now has exactly nine days left before expiry of its own self-imposed deadline for paying off the $1bn. of short-term debt held by small investors. The city's moratorium on capital and interest repayment of this debt was thrown out by the courts.

In terms of findingthe money to pay off this debt, it still seems a stand-off. While city and state leaders fight against demanding more federal aid, at least until Jimmy Carter takes office, the city's unions and its creditor banks are insisting that they cannot shoulder all the extra burden.

Given that New York State is in no position to provide all the necessary funding, many now argue that there is really no alternative to begging for increased federal help.

Carter qualifies aide's remarks on tax rebates

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Dec. 6.

MR. JIMMY CARTER this morning somewhat qualified the assertion of the man he has chosen to run the Budget office by stressing that he had still not made up his mind whether to institute a tax cut to stimulate the flagging U.S. economy.

Yesterday Mr. Bert Lance said in a television interview that a tax reduction was "almost a certainty" early next year. Later he told the Los Angeles Times that it would probably be in the order of magnitude of about $15bn. and would probably take the form of a rebate on 1976 taxes, rather than a cut in permanent tax rates, because this would have the quickest impact.

Mr. Lance also suggested that the action of the incoming Carter Administration would not be limited to a simple rebate, but would involve a package embracing investment credit for industry. He said that the car industry, in particular, needed incentives to spur investment in machinery and equipment.

Two other members of Mr. Carter's inner circle of economic advisers, both of whom are still under consideration for senior Government positions, also advocated tax action. Mr. Andrew Brimmer, the former Federal Reserve Board member, said that a tax rebate "would be the best thing to do early in 1977," while Dr. Alice Rivlin, head of the Congressional Budget Office, suggested that more Government spending on top of a rebate might be necessary.

Even Mr. William Simon, the outgoing Treasury Secretary, said in another interview that if economic stimulus were needed "a tax cut would most certainly be my first choice rather than an increase in federal spending."

Nonetheless, Mr. Carter continues to play the game very closely to his chest. After voting for his brother, Billy, in the election for the Mayoralty of Plains (population 683) to-day, he said he would "not go as far" as Mr. Lance and would take no decision without prior consultation with Congressional leaders. He would also wait until the final indices for 1976 were available.

One more consoling report was produced over the week-end by the Conference Board's economic forum of 12 leading economists, who remained cautiously optimistic about next year.

They predict real growth of 4.8 per cent., average unemployment of 7.1 per cent. and a 5.6 per cent. rise in the consumer price index.

Argentina inflation now at 319%

The cost of living index in Argentina rose by 8 per cent. in November and reached 319.3 per cent. so far in the year, the military government has said, AP-DJ reports from Buenos Aires.

Economy Minister Jose Martinez de Hoz said after releasing the figures that the increase came because of higher food prices. It was the fifth monthly consecutive cost of living increase since June when the rate was at a year's low of 2.8 per cent. Private economists say that the 1976 inflation rate will be at least 370 per cent. or 35.2 per cent. higher than the 334.8 per cent. record rate since inflation statistics began in 1914.

Aid for Philippines

The U.S. will give the Philippines about $1bn. in military and economic aid during the next five years in exchange for continued use of military bases in the Philippines, Government officials said in Washington, Reuter reports. The proposed treaty, which must be ratified by the U.S. Senate, is expected to be announced in the next few days.

Helicopter contract

The U.S. Army has said that it is delaying its announcement of whether Boeing or United Technologies is the winner of a multi-billion dollar contract for a new helicopter programme, AP-DJ reports from Washington.

The contract will cover the production of 1,107 helicopters known as Uttas (for utility, tactical, transport aircraft system) which will be the Army's major helicopter for carrying troops into combat. The programme will cost the Army an estimated $3.37bn.

GRENADA ELECTION

No surprises expected

BY TONY COZIER IN BRIDGETOWN

THE COMMONWEALTH Caribbean has produced some surprising election results this year with the defeat in Barbados of Mr. Errol Barrow's 15-year-old Government, and in Antigua of Mr. George Walter's administration. No surprises are expected in Grenada's election, which takes place to-day.

It will be the first election there since the island and its 110,000 inhabitants gained full independence from Britain early in 1974 amidst considerable internal unrest and a prolonged general strike from which the economy has not yet recovered. Those who organised opposition to independence then did so because they were apprehensive of the unpredictable leadership of the Prime Minister, Mr. Eric Gairy. The same fears have again brought about a united front of three opposition parties to fight this election.

They make strange bedfellows. The parties concerned are the New Jewel Movement (NJM), a radical, left-wing group with a strong intellectual base, and two conservative, middle-of-the-road parties, the Grenada National Party (GNP) and the United People's Party (UPP) which have amalgamated, for the election, into an organisation calling itself the People's Alliance.

Only one common factor binds them—the desire to remove the mercurial Mr. Gairy and his ruling Grenada United Labour Party (GULP) from office. They realised that the major issue of the campaign would be the Prime Minister himself, and that most opposition votes would be as much against Mr. Gairy as for anyone else. Rather, therefore, than split votes in the various constituencies they have devised an arrangement by which the NJM will field candidates in eight of the 15 seats with the GNP and the UPP sharing the other seven.

Domination

It will be a straight fight between Mr. Gairy and his opponents. There can be no doubt that his Government has alienated many of its supporters since it swept 14 of the 15 seats in the House of Representatives in the last election in 1972, but it is doubtful whether the swing well be a serious enough to challenge its domination, let alone remove it. It is true that Mr. Gairy's record and international reputation are shocking. He has been called the Idi Amin of the Caribbean and presides over a Government suffering from chronic economic problems. He has shown himself to be an unpredictable, authoritarian leader.

In the two decades while be has presided over Grenadian politics he has been surrounded by controversy. Under British colonial administration, he was disenfranchised for misuse of public funds and the constitution was suspended in 1962. Yet he has proved a resilient politician, bewitching the masses to such an extent that his party has won the last two elections by massive margins. Having achieved independence, he is very much his own boss.

Two recent episodes have illustrated Mr. Gairy's disregard for anything that stands in his way. The first involves a former superintendent of police, Mr. Innocent Belmar; the second the former Attorney-General, Mr. Desmond Christian. Mr. Belmar was strongly criticised by a Commission of Inquiry into alleged police brutality at the time of the pre-independence disturbances and subsequently removed from office on its recommendation. But he was warmly and publicly praised by his Prime Minister at the time, and has been chosen by Mr. Gairy personally as a candidate for his party in the coming elections.

Mr. Christian, a Guyanese by birth, started proceedings earlier this year for illegal entry into Grenada against three American citizens, wanted by the FBI on fraud charges. Mr. Gairy ordered him to drop the case and, when the Attorney-General refused, he himself was declared a prohibited immigrant and barred from entering the island. The three men now are running a business from St. George's, and Mr. Christian is back in his native Georgetown.

Powerless

The opposition has been powerless to check Mr. Gairy's extravagances and has complained of unfair election practices even before a ballot has been cast. It says that GULP has taken time on Radio Grenada for campaign broadcasts without the same facility offered to the Alliance; and it says that the Government Printing Office is issuing campaign literature on behalf of Mr. Gairy's party, and that Government vehicles are being used to publicise meetings of GULP and to convey people to them.

Mr. Gairy's supporters respond by stating that the Prime Minister does not need to resort to such tactics to win. They have seen his influence endure in Grenada for more than 20 years through thick and thin—defeat for them is out of the question. Certainly the general feeling is that the Alliance does not have much chance of creating an upset.

Even so, the performance of the NJM candidates will be closely watched. If they do well, it would shake Mr. Gairy's self-confidence. It is the first time that the group is contesting an election and it will be a test of its strength. Its far left dogma may have left some voters a little apprehensive but in the five years of its existence it has organised itself well in areas where Mr. Gairy has been traditionally all powerful

Whatever the results, Grenada is unlikely to overcome its pressing financial problems. Although two important export commodities, nutmeg and cocoa, are fetching excellent prices, the once-thriving tourist industry was crippled by the unrest of three years ago. The Government did nothing to encourage a resuscitation by supporting the UN resolution last year condemning Zionism. Wealthy North American Jews have crossed Grenada off their list of holiday resorts

Banana growers, providing the largest single export crop, have also gone through trying times with falling production and financial headaches created by the declining value of sterling.

Although official statistics are either unavailable or not entirely reliable, the Government is thought to be operating on an overdraft spread among several commercial banks of up to East Caribbean $20m. (about £4.5m.). A report from the Inter-American Economic and Social Institute recently estimated that Grenada would need a minimum of EC$5m. annually to support its budget. Mr. Gairy is hoping that the money will come from Britain, which has already announced a grant of EC$10m. over the next two years, and from international agencies such as the World Bank and the Caribbean Development Bank.

However, it is very difficult to find anyone in Grenada who speaks optimistically of the future. Even Mr. Gairy, who once described himself as "the eternal optimist," must be disappointed with the results of his island nation's first two years of independence. Unfortunately, there is nothing to give hope of any significant improvement if his Government is returned to power, as is expected, on December 7.

OVERSEAS NEWS

South African riot police shoot five

BY JOHN STEWART

CAPE TOWN, Dec. 6.

SOUTH AFRICAN riot police have shot dead at least five Africans and wounded 14 more, while two African youths have died in faction fights and nearly 30 houses in the black townships of Guguletu and Nyanga have been destroyed by fire in township violence since the week-end.

Last week nearly 300 Africans were arrested in a massive police security check following arson attacks on the homes of people thought to be police informers.

According to police spokesmen, fighting broke out in Nyanga township early to-day when militant youths tried to prevent contract workers from going to work in accordance with a call circulated at the week-end for a two-day stay-away.

Police said the fight developed into something of a tribal clash because the contract workers, who are housed in hostels at Nyanga, appeared to be members of the Baca tribe of eastern Cape, while the youths were largely the children of permanently settled urban Africans of indeterminate tribal origin. The contract workers are assisted by older township residents who have "had enough" of youth violence.

Feelings between the African groups ran high on Saturday when youths attacked the home of a Baca man they accused of selling illicit liquor. This aroused the anger of Baca workers living in a nearby hostel, who organised a reprisal attack in which at least two youths were killed.

Last night prompt police action prevented a further fight between the Bacas and the youths at the single quarters. About 5.30 a.m. to-day, coinciding with the beginning of the proposed strike, the youths retaliated, setting fire to homes and attacking migrant workers. The workers in turn attacked the youths and intimidators. Police reinforcements were rushed to the scene and on a number of occasions opened fire. Twelve people, aged between 16 and 42, were wounded.

On Saturday, police shot and killed two black youths when a crowd attacked a police vehicle in Guguletu. In Nyanga to-day many residents carried their furniture and other belongings into the street and stood guard over it. By mid-day the police seemed to have the situation under control and an uneasy calm descended on the township.

In several incidents police opened fire early to-day and it is believed 12 people had been shot and wounded by mid-morning. Their ages vary between 16 and 42. A number of people—mainly youths—were arrested by members of the anti-riot unit, mostly on charges of public violence.

Traffic officials were on duty at all entrances to Nyanga early to-day, warning motorists not to enter the township.

Yesterday groups of youths attacked five houses in a Guguletu block, setting three on fire. Two were destroyed and the third was extensively damaged.

On Saturday at 4 p.m. two riot policemen patrolling in Guguletu allegedly saw liquor being sold at a house. When they stopped to investigate they were surrounded by a crowd of about 400 youths who stoned the police van. Shots were fired and the crowd dispersed. Three men were later admitted to Groote Schuur hospital.

Rhodesian police seek killer of bishop

SALISBURY, Dec. 6.

RHODESIAN security forces to-day combed dense bush country in western Rhodesia in search of a black terrorist who ambushed and killed three Roman Catholic missionaries from Germany, yesterday.

Bishop Adolf Gregor Schmitt, the 71-year-old former Bishop of Bulawayo, Father Possenti Weggarten, director of the Regina Mundi Mission, and Sister Maria Francis van den Berg, of the same mission, were killed.

A security forces communique last night blamed the murder on "terrorists" but liaison officers at security forces headquarters said to-day only one terrorist armed with an automatic weapon and presumed to be a member of the black nationalist guerilla movement, appeared to be involved.

The officers said the terrorist laid a log across the road and stopped the Bishop's car. The sole survivor of the attack, Sister Ermenfried Knauer, later told a doctor the terrorist had demanded money.

"We told him we had no money with us, that we were missionaries just out for the afternoon," she said.

"We told him 'if you really need money come back with us to the mission and we will help you.' The terrorist replied that as we had no money he would have to shoot us. He began gunning us down, starting with the Bishop. He riddled him with bullets. Then he mowed down the others."

Sister Ermenfried said she threw herself under the car and the terrorist shot her in the leg, which was protruding from under the vehicle. The terrorist wore a camouflage uniform and a balaclava-type hood, she added.

She was picked up by a mulatto family who took her to the St. Luke's mission, where the missionaries had intended to visit a sick friend.

At St. Luke's, Dr. Johanna Davis, medical superintendent of the medical centre, arranged to have the nun transported to the Mater Dei Hospital in Bulawayo.

Bishop Schmitt, a native of Rimpar, Bavaria, first came to Rhodesia in 1932. He later served in Germany and the U.S. and returned to Rhodesia after his consecration in 1951.

Because of ill-health and at his own request, he was succeeded by the Rt Rev Henry Karlen as Bishop of Bulawayo in 1974. UPI

● The Zimbabwe People's Army (Zipa) to-day said its forces killed more than 1,200 Rhodesian soldiers in the first nine months of this year, Reuter reports from Maputo.

A Zipa communique said that from January to September, 1,256 Rhodesian soldiers were killed, 145 vehicles and six bridges destroyed and 45 aircraft, mostly helicopters, shot down.

South Africa's crackdown on dissidents has been checked by the acquittal of five white students. But for how long?

No place to hide

BY A SPECIAL CORRESPONDENT

TO THE sound of cries of "Praise the Lord," the longest trial of white students in South Africa's history ended last week.

The trial involved four white student leaders, all of whom have held office in the National Union of South African Students (NUSAS) and a university lecturer Edward Webster. After a year of lengthy state and defence argument, Johannesburg magistrate Mr. G. Steyn acquitted the five of charges under South Africa's Suppression of Communism and Unlawful Organisations Acts.

The charges arose originally out of a NUSAS campaign calling for the release of political prisoners. Many of these prisoners were at one time officials of the banned African National Congress or South African Communist Party. The state alleged that the campaign had furthered the aims of these organisations which is a criminal offence in South Africa.

But the charges were far more wide-reaching. Webster's chief alleged offence was to present a paper analysing the rise of the black consciousness movement which since the Soweto riots has become a significant political factor. The student leaders, Cedric de Beer, Karel Tip, Charles Nupen and Glenn Moss, were charged with offences, such as "conspiring to bring about an egalitarian society," criticising the content of courses at the universities and investigating the financial structure of universities.

Indeed, so wide-ranging were the charges that Johannesburg's liberal morning newspaper, the Rand Daily Mail, suggested that, if some of the acts alleged were in contravention of the law, all opposition to Government policy would probably be illegal.

The verdict has been greeted with relief in many white circles. The activities of white supporters of change have at least been shown to be above board—even within the framework of South Africa's draconian security legislation.

It is also a triumph for Nusas itself. The organisation has been under constant attack from a variety of quarters for some years. While officially non-racial, Nusas has lost all its black membership to the rival black body, Saso (South African Students' Organisation). Black students have argued that they have different problems to those of whites, and that whites have no lasting commitment to change.

Nusas has also been the focus of concentrated Govenment attack — at least since the early 1960s. The then Minister of Justice, now Prime Minister, Mr John Vorster said in 1963: "Nusas is a cancer in our society and I will deal with it in my own time."

In recent years, however, the campaign against Nusas has been considerably stepped up. First the passports of a large number of office bearers were withdrawn. Then, after a lengthy parliamentary inquiry—shunned by the opposition Progressive Party, but supported by the United Party—eight of is office bearers were banned under the Supression of Communism act.

Since then, Government opponents have called consistently for the banning orders to be lifted or for the victims to be put on trial. Last week's verdict has been followed by calls to lift the banning orders. The Government is unlikely to pay any attention.

The verdict was greeted with delight by delegates at the Nusas congress, held in Johannesburg last week. But behind the joy is a lurking fear: having failed to finally destroy Nusas through the courts, will the police now decide that trials are not worth the effort, and resort to more arbitrary methods of quelling student and white liberal dissent?

Certainly the recent wave of detentions (affecting mainly blacks) and bannings (mainly whites) give some credence to this view. Things are getting hotter, for liberals, let alone radicals. Whether the Government is sufficiently insensitive to local and overseas opinion to clamp down on activities which the courts have found to be legal, remains to be seen.

The evidence elsewhere in the Republic is not encouraging.

Just how many political detainees there are in South Africa no-one really knows. The authorities are under no compulsion to publish the figures. It is widely believed, however, that there are now more political detainees than at any time since the Sharpeville massacre and its aftermath in the early 1960's.

According to figures compiled by one research organisation a month ago nearly 400 people, most of them black, were in detention under the various "security laws" Since then, however, people have been simply disappearing. At least 4,000 have fled the country from places like the black township of Soweto to neighbouring states, but parents in Soweto are convinced that many children who have disappeared from their homes are being held by police.

Mr. James Kruger, the Minister of Justice and Police, has given some figures. A few weeks ago he confirmed that 123 people were being held under the preventive detention clause of the internal security Act on the grounds that their "positions, statements, and activities had contributed to the unrest." Another 21 were being held, presumably in solitary confinement for interrogation purposes, under the terrorism Act.

So far as their political affiliations are known, a substantial proportion of the detainees appear to be students, school children, or others in some way associated with the black consciousness movement. The authorities' reflexes seem to have become so conditioned that they are incapable of responding to black dissent or opposition other than by locking up those voicing protest.

As white opponents of the Government celebrate the Nusas verdict, attention is likely to shift back to its black counterpart—the Saso trial in Pretoria. While ostensibly about the activities of a student organisation (which, together with the Black People's Convention (BPC), is South Africa's major black consciousness group), the stakes involved in the trial are considerably higher.

First, the accused are charged under the wide-ranging Terrorism Act, which carries a minimum sentence of five years' imprisonment, and under which the accused have to prove their innocence, rather than the State their guilt.

Second, what is essentially at stake in the trial is the future of the black consciousness movement.

The trial is largely a trial of ideas. Unlike the recent spate of "conspiracy trials" in which the accused have been charged with secretly conspiring to overthrow the government, the accused are being charged with publicly holding certain views which, the state argues, have violent implications.

If the accused are convicted black consciousness organisations may well be prevented from operating. If they are acquitted, supporters of black consciousness would have the comfort of knowing that their broad aims are legal in the eyes of the courts.

How much of a comfort that would prove to be remains doubtful. Mr. Kruger has said that he believes black consciousness to be "black nazism."

If the government cracks down on African trade unions, widely regarded as more conservative than the black consciousness organisations, they are unlikely to leave black consciousness supporters alone.

Detention powers

The South African Police are provided with wide-ranging powers of detention and restriction over the movements of both suspects and witnesses of crimes under the country's security laws, our Foreign Staff writes.

The two principal measures providing these powers are the Terrorism Act and the Internal Security Act, which incorporates the former Suppression of Communism Act.

The Terrorism Act provides the most drastic powers, including indefinite detention in solitary confinement for both suspects and witnesses to offences, and put the onus on the accused to prove his innocence.

As well as overt terrorism, the Act defines it as an offence *to further the achievement of any political aim*, including social or economic change, not only by violent means but also with the co-operation of any foreign or international body.

Other offences include such apparently non-political crimes as causing bodily injury, endangering the safety of a person, or causing substantial financial loss to any person or the State.

The Terrorism Act provides that no court can challenge the validity of any action taken under the detention provisions or order the release of any detainee.

The Internal Security Act, which became law this year, introduced preventive detention for any person whom the authorities consider might constitute a danger to law and order.

Such detention lasts for a year, and is renewable by the Minister for Justice. It is subject to review by a tribunal. But both the meetings and membership of that body are secret, as are its findings.

The Act includes the former, wide-ranging Suppression of Communism Act, under which most of the bannings of political activists have been carried out.

Banning, at the discretion of the Minister, restricts a person from holding office, being a member, or attending meetings of periodically listed organisations. That person may not be quoted in the Press, assist in the compilation of any publication or enter premises where a publication is put together.

Under the General Law Amendment Act suspects can also be detained for up to two weeks without trial, as can witnesses to any offence. *Such detention must be renewed by a Magistrate for a further two weeks.*

Gabon to freeze debt until 1979

PARIS, Dec. 6.

PRESIDENT Omar Bongo of Gabon said to-day he is trying to consolidate the country's $1.2bn. public debt and will refuse to repay any loans until 1979.

In an interview, published in Danielle Hunebelle's International Newsletter, President Bongo said: "Our loans are too short-term. I've made a decision: until 1979 I will not pay anyone, nor will I repay anything."

Asked if his public denunciation of corruption, incompetence and lack of professionalism in Gabon might discourage financiers to advance a $150m. credit in three stages, President Bongo replied: "The credit is not such a problem. For 1976 we don't need any of it."

The President rejected suggestions that Gabon's oil production will fall off sharply by 1980, adding that his view to the contrary "is based on what I know and on the enormous exploration efforts of the oil companies."

Regarding future policy on foreign investment in Gabon, President Bongo said: "From now on I don't want anyone coming to invest without having our people participate." He said he did not favour nationalising banks "as long as they pay attention to Gabon, rather than running after loans in other countries," and noted that Citibank had just opened up and that he believed there was room for others.

The President maintained that Gabon's public debt "is not that heavy, if you compare with other countries." AP-DJ

New government expected as caretaker in Lebanon

BY IHSAN HIJAZI

BEIRUT, Dec. 6.

A NEW Lebanese Government is expected to be announced by President Elias Sarkis to-morrow or the day after, it is reliably reported here. According to informed sources, the President's financial adviser, Dr. Selim al Hoss, is likely to head the new Cabinet, which will include six or seven more technocrats, forming what the sources described as a "working committee" to help Mr. Sarkis in creating an administration.

The formation of a new Cabinet is long overdue. Mr. Sarkis had delayed the matter until better security conditions were established in the country.

Dr. al Hoss is a Moslem and currently president of the National Bank for Industrial and Tourist Development, which is a joint venture by the Government and the private sector. Dr. al Hoss has, at President Sarkis's request, prepared a study on the revival of the Lebanese economy.

The present Cabinet, headed by Mr. Rashid Karami, who is one of the traditional political figures, is a carry-over from the outgoing régime of President Suleiman Franjieh. Although it has been acting as caretaker, serious splits brought on by the civil war have rendered the Government ineffectual.

The new Government is intended to stay in office for only a few months, after which it will be displaced by a government of political leaders, according to Press reports here. A Christian leader, Mr. Pierre Gemayel, said his group, the Phalange Party, will back a Cabinet of technocrats, as long as it is a transitional Government. But Mr. Kamal Jumblat, the Druze chief and leader of the Left, has already gone on record as opposing a caretaker administration of this sort.

Mr. Sarkis decided to go ahead with the formation of a new Cabinet after a four-man Arab committee decided to meet here this week to deal with the problem of collection of heavy weapons from rival Lebanese factions and the Palestinian guerillas. Formed of Saudi, Kuwaiti, Egyptian and Syrian representatives, this body was set up by the Arab conference which convened in Riyadh in October and laid the foundations of the Lebanese peace formula, according to informed sources.

However, their task is complicated by the tense situation in south Lebanon, and by recurrence of cease-fire violations elsewhere.

Most newspapers to-day reported artillery exchanges between Christian Right-wing militias and Left-wing forces in the region bordering Israel.

OPEC will meet on time

The Organisation of Petroleum-Exporting Countries (Opec) ministers' meeting will probably be held on December 15, as scheduled, in Qatar, the Middle East Economic Survey reported yesterday, AP-DJ writes from Beirut. The survey said that a plan to postpone the meeting to December 20 had been abandoned. The postponement would have avoided a clash of dates with the North-South dialogue in Paris.

Singapore election

General elections will be held on December 23 in Singapore, our correspondent there reports. A Government announcement yesterday set December 13 as the day for nomination of candidates. The elections are unlikely to result in the removal from power of the People's Action Party, which has ruled the country since 1959. The question is whether any opposition candidates will be elected.

Sri Lanka investigates student unrest

BY MERVYN DE SILVA

COLOMBO, Dec. 6

WITH all of Sri Lanka's six universities officially closed down, the Government-established Commission of Enquiry is investigating the outbreak of violence at Kandy University on November 12 in which one undergraduate died and a further 50 were wounded.

The violence was followed by student demonstrations in Colombo and several suburban towns. Announcing the closing of the universities last week, the Prime Minister, Mrs. Srimavo Banderanaike, who recently returned from a tour in South East Asia blamed the disturbances on "unscrupulous teachers and certain disgruntled desperate political elements."

High school students, including hundreds from elite public schools and girls' colleges who took part in the demonstrations, plastered walls with posters condemning "police brutality" and demanding the removal of the education minister.

The disturbances have strong political implications in that the students appear to be getting support from the trade unions who have their own grievances, particularly against police powers under the current emergency rule.

The young are also likely to be a force in the next general elections, due before September next year, when 1.3m. of the 6.8m. electorate will be new voters.

WORLD TRADE NEWS

Brazil to renegotiate steel plant agreement

By David White

RIO DE JANEIRO, Dec. 6.

BRAZIL is seeking to renegotiate part of its package agreement with European banks and engineering groups for a $2bn. steel complex in Minas Gerais State.

The decision, following a series of top level talks last week and prompted by Brazilian industry's claims to a larger share of equipment orders, may mean a reduction in the value of contracts for European industry. Orders for Britain, estimated at more than £100m. are not expected to be affected.

A protocol agreement on the Açominas project at Ouro Branco, 70 miles from Belo Horizonte, was reached during President Ernesto Geisel's London visit in May this year. Under the agreement, equipment orders were to be covered by a $1bn. loan arranged by Morgan Greenfell, Banque de Paris et des Pays-Bas, Dresdner Bank and Credito Italiano.

Half this amount was earmarked as suppliers' credits for companies from the four European countries, which alongside the banks are to take a 20 per cent. shareholding in the State-controlled venture.

However, at a meeting of Brazil's Economic Development

The Export Credits Guarantee Department has guaranteed a £127m. loan which N. M. Rothschild and Sons acting on behalf of a consortium of *London clearing and Scottish* banks have made available to Rede Ferroviaria Federal SA, Brazil. The loan will help finance the £150m. contract awarded to GEC Transportation Projects for equipment and services to electrify the steel railway in the Volta Redonda area of Brazil.

Council last week it was decided that local engineering companies would supply at least 60 per cent. of the equipment instead of the 50 per cent. originally foreseen.

This will mean changing the credit agreement, under which Brazil was to get $500m. of the total in a dollar-for-dollar matching loan in exchange for its foreign contract.

British companies, headed by Davy International, are understood to be in line for about a third of the foreign orders for Açominas. The French, Italian and West German interests are represented, respectively, by Confrasid, Italimpianti and Ferrostaal.

Although the Brazilian Association for the Development of Basic Industries (ABDIB) is pressing for further concessions on the project, sources on the European side do not expect to lose more than "a few orders here and there."

The Açominas debate blew up following a similar package deal between GEC and the Brazilian Federal Rail Network, involving orders worth a total of $150m. Under this deal, British banks headed by N. M. Rothschild, are to supply Brazil with a $200m loan as well as financing the supply of GEC equipment and services. Brazilian engineering companies have claimed that some of the orders placed with GEC are for equipment which is already produced locally.

Loan guarantee

THE EXPORT Credits Guarantee Department has guaranteed a £127m. loan which N. M. Rothschild and Sons acting on behalf of a consortium of London clearing and Scottish banks have made available to Rede Ferreviaria Federal SA, Brazil. The loan will help finance the £150m. contract awarded to GEC Transportation Projects for equipment and services to electrify the steel railway in the Volta Redonda area of Brazil.

Unctad chief warns on Geneva talks

By Reginald Dale

DR. GAMANI COREA, Secretary General of the United Nations Conference on Trade and Development (Unctad) last night warned the West of serious international consequences if the Geneva talks aimed at restructuring world trade in raw materials were allowed to fail.

Dr. Corea, who was delivering the Stevenson Memorial Lecture at the London School of Economics, said that failure in Geneva would undermine the whole premise under which developing countries were seeking to solve their problems in co-operation with the industrialised world. The Third World would then have to try "alternative approaches or perhaps a more unilateral character."

The talks would not succeed if Western Governments chose to regard them as technical rather than political, the Unctad Secretary General warned. But for the first time the developing countries were not totally bereft of leverage in view of their determination, if necessary, to press ahead on their own with the Integrated commodities programme backed by a common fund that they are seeking.

Dr. Corea's warning comes at a time when the major Western powers, including the U.S., Germany, Japan and the U.K., still have major reservations over the common fund, on which preparatory discussions started in Geneva last week. However, the developing countries are hoping for a more flexible American line when the Carter Administration takes over in Washington.

EEC proposals t[o] share shipbuildin[g] with Japanese

BY DAVID CURRY

PARIS, Dec.

THE COMMON MARKET to-day presented Japan with a plan for the division of shipbuilding orders over the next two years which would guarantee European yards a half share of new work, at the OECD shipbuilding meeting in Paris.

The Japanese have promised to try to prepare a response in time for a further meeting on January 11 or 12. However, it is understood that their immediate reaction was to declare the proposal to be counter to free trade. The Japanese delegation also pleaded for time for a new government to be put together in Tokyo following the week end's election.

The essence of the EEC proposal, which was supported formally or informally by the Scandinavian countries, Spain, and Portugal, is that tonnage ordered in Japan and Europe in 1977 and 1978, should b[e dis]tributed evenly between [Japan] and the European countries. EEC want the arrangement [to] start on January 1 for a [...] trial period, with [...] monthly notifications of [orders] placed.

Ten days ago, the Ja[panese] said that they had issued [guide]lines to their industry to [cut] the man-hours worked [in the] shipbuilding industry in [1977 to] 75 per cent. of their [1975] level, and to 70 per cent. [...] level in 1978. This propo[sal falls] short of the EEC demand [and] was made after hard talks [in] Brussels between EEC and [Jap]anese officials and follow[ing a] decision of Common [Market] heads of Government [last] [...] to allow three mon[ths for] negotiations with Japan on [ways] of solving the trade imba[lance] in industrial products be[tween] the Community and Japan.

ARAB MILITARY SUPPLIES

Talks on Egyptian role in arms output

BY MICHAEL TINGAY

CAIRO, Dec.

DEFENCE MINISTER of Saudi Arabia, Qatar, the United Arab Emirates and Egypt are due to meet in Cairo to-morrow under the umbrella of the Arab Military Industries Organisation (AMIO) for talks which may confirm whether or not AMIO will really be able to make Egypt into a major arms producer.

AMIO was set up in May 1975 with a capital of $1.04bn. provided by these four Arab states. The intention was to turn Egypt into the main supplier of arms for the Arab world by channelling sales through the organisation, with the intention eventually of producing Western arms in Egyptian factories under licence. So far, however, there have been few signs of progress.

Worst of many hopes dashed has been the demise of the French Dassault Mirage F1 M53, the all-weather multi-purpose combat aircraft, hopes for the production of which now appear to have foundered following the NATO decision not to use the French plane as the Avion combat de futur. In January 1975, announcements were made that France would sell this plane to Egypt and that other Mirages might be made under licence in Egyptian factories.

Despite the appointment of Dr. Ashraf Marwan, one of President Sadat's key advisers whose close relations with Saudi leaders, to the board of AMIO and the subsequent appointment of Dr. Ahmed Zendo, former Governor of the Central Bank to another key position of contract negotiation, AMIO has not so far come up with the goods.

Primarily the problems seems to be the unclear distinction made between the purchasing function of AMIO and that of establishing local production of foreign arms. Egypt indicated in 1974 that it wished to buy British Lynx helicopters and Hawker Siddley Hawk jet trainer aircraft with a view to eventual purchase under licence but this [...] many arms deals discussed [with] Egypt, apparently evaporated.

If reports of future Egy[ptian] and AMIO arms purchases [are] totted up, the $1bn plus ca[pital] of AMIO would have been [spent] many times over. Observers [con]clude therefore that if the [...] hopes to purchase and pro[duce] a number of European wea[pons] including the French all-we[ather] Crotale missile are to be mea[ning]ful, either more money must [be] put into the organisation [or a] clearer line must be d[rawn] between AMIO's role as a [pur]chaser and a future produ[cer of] arms.

The Saudi role in the arming of Egypt, which [has] maintained that the Soviet [Union] has not replenished arms [since] the war of October 1973, [has] become more critical since [the] kingdom not only is a s[hare]holder in AMIO but gives [...] finance for Egyptian arms [pur]chases as it did last year [when] France supplied a number [of] Mirage 3 fighters.

Amongst topics to be disc[ussed] to-morrow will be the qu[estion] of a jet trainer for the Egy[ptian] forces (for two years the [...] pendulum has swung be[tween] the British Hawk and Fr[ench] Alfajet) and that of a [...] below-radar level ground a[ttack] aircraft for which Britai[n is] putting up the Anglo-F[rench] Jaguar strike plane as a c[andi]date.

Equally interesting will be [the] whole electronic field [as] Egypt is now so hopelessly [...] stripped by Israel. Both [the] French Thomson CSF and [the] BAC teams have been in [Egypt] recently for talks which [are] thought to have com[...] Egypt's missile cover. Not [only] do the Soviet SAM missiles [have] to be replaced eventually but [a] gap has to be filled in the [...] low-level missile umbrella [...] British Rapiers and Fr[ench] Crotales are designed to [...]

Dutch, Polish coal deal

BY MICHAEL VAN OS

AMSTERDAM, Dec.

THE PROBLEMS reported earlier in the negotiations over a large Polish-Dutch coking coal deal now appear to have been overcome following the signing of an agreement "in principle" for the financing of a long-term Dutch coking coal import contract. This will be an extension of the present contract which is due to run out shortly.

An Agreement in principle has also been signed between the parties involved which will facilitate the supply of Dutch steel products to Poland.

Following the return to Holland of Dutch economic Minister Mr. Rudd Lubbers [from] a short visit to Poland it is [ex]pected that the arrange[ments] now agree are likely to be [given] the official approval by [the] Polish Government and [the] Dutch Finance Ministry.

It has been confirmed [that] negotiations will now ope[n for] the importation by the [...] company, SSM, of 750,000 [tons] of Polish coking coal a[nnually] for ten years, of which [...] tons will go to Hoogovens, [the] Dutch steelmaker. This co[ntract,] based on current prices, co[uld be] worth in all around Fl[s...]

French factory for Dubl[in]

BY ROBERT MAUTHNER

PARIS, Dec.

LA TELEMECANIQUE, the French electrical and electronics group, will invest a total of Frs.60m. (about £7.5m.) in a new switch-gear factory, about 12 miles south-west of Dublin.

The investment will be made progressively over the next six years and the factory, which will employ some 400 workers, many of them women, will not be operating at full capacity [until] 1982.

The choice of Ireland has [been] made partly because of the favourable fiscal ince[ntives] offered by the Irish Indu[strial] Development Authority [...] and partly because of the [availa]bility of suitable labour. [The] Irish factory will be produ[cing] switching gear mainly for e[xport] to Britain and other [...] markets.

Levy on U.S. turkey me[at]

BY DAVID BUCHAN

BRUSSELS, Dec.

THE EEC Commission announced to-day a raised levy on imported turkey pieces into the Community, as a result of the U.S. decision last week to raise its duty on brandy. But Brussels officials were at pains to stress that the EEC was not retaliating, but only making upward adjustments that had been held back for some five months in the hope of winning concessions on brandy. They also pointed out that the increases were not the full amount justified by market conditions.

Now that no concessions have been forthcoming from the [U.S.] the levy has been raised [...] units of account (£31.56) per [100] kgs. on turkey pieces, five [units] of account on turkey drums[ticks] and 10 units of account on [turkey] thighs. No further EEC action [is] likely, because it is only [Ameri]can poultry and EEC brandy [that] are linked in this particular game, known to all as "poultry war." Most affected [are] the French cognac producers, [on] whose behalf the French For[eign] Trade Minister last week c[alled] in the U.S. Ambassador in P[aris] to complain officially.

HOME NEWS

Moderate slow-down forecast for 1977

Financial Times Reporter

FORECASTS collected from sources in the main developed countries suggest that the slowdown in world activity next year will be only moderate, according to stockbrokers Phillips and Drew.

The forecasts, "from sources which we believe to be reliable," show a fairly sharp decline in Germany from a 6 per cent. growth rate to 4½ per cent., and in the U.S., where growth is forecast to fall from 6½ to 5 per cent.

Little change is forecast however for France or Italy, with slightly faster growth this year in Japan and the U.K., and a more considerable improvement from 2 to 3 per cent. in the smaller OECD countries. This would result in an average 4½ per cent. growth rate for the whole group—down by half a point.

Based on these expectations, the brokers forecast a growth in world trade of 8-9 per cent. next year, compared with 11 per cent. this year. But they caution that there may be a further slowdown early in 1978.

These forecasts are broadly consistent with, but considerably less depressing than recent OECD predictions suggesting an abrupt slowdown to growth and trade from mid-1977.

£100,000 'lost in rates delay'

A BACKLOG of rating appeals have lost Moorlands District Council in Staffordshire an estimated £100,000 it was disclosed yesterday. The council has been told that about 2,000 cases are waiting to be heard in the valuation court.

The delay in assessment of property and rate appeals means that some people in the area have not paid rates for two years and the Council is unlikely to recover any of the lost cash.

Machine tool aid scheme attracts more interest

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

INTEREST in the Government's £20m. machine tool industry aid scheme has picked up considerably since important changes were made four months ago.

The scheme, launched in August, 1975, has registered the poorest response of any of the four industry aid schemes operating.

But it was altered in August this year to attract more small companies and to take in two sectors closely connected with the machine tool industry—makers of one-off tooling (jigs, fixtures, press tools and so on) and of assembly machines.

Since then, 52 companies—most of them small—have started "meaningful discussions" with the Department of Industry concerning the scheme. Many more have shown a serious interest.

By the end of last month the Department had received 47 formal applications involving projects with a total cost of about £35m. If approved, they would attract £6.5m. in Government aid.

Exhibition

The Department had also made firm offers to help 16 projects in which Government aid of £2.5m. would go towards total investment by the companies concerned of £13.8m.

This is still a long way behind the most successful of the aid schemes — that for the ferrous foundry industry — which has attracted applications from more than 250 companies asking for £51m. of aid in respect of projects worth £245m.

Mr. George Trowbridge, president of the Machine Tool Trades Association, has explained why his industry was apparently slow to take up the aid offered.

He said many manufacturers introduced new machine tools at the international exhibition, MACH 76, in Birmingham in September representing about £11m. of design and development costs.

In the main, the costs did not qualify under the aid scheme because work was in hand when the scheme was launched.

The aid scheme — for which applications should be made before December 31 — should be extended "because we were committed to new designs and products when it was first offered."

Hopes of work in Middle East dashed

DOCKERS at Felixstowe, Suffolk, who have been waiting since August to fly to £10,000-a-year jobs in Saudi Arabia face Christmas on the dole

The men gave their notices to go to tax-free jobs at the Middle East port of Dammam, but the company which offered them employment, Maritime Transport of Overseas, has been unable to obtain the visas from the Saudi Embassy.

Stockbrokers judgment later

MR. JUSTICE FOSTER yesterday reserved his judgment on the claim by the joint liquidators of Mitton Butler Priest, stockbrokers, that former directors and associates of the company are liable to the liquidators for the company's debts and obligations.

Co-op marketing group formed in Strathclyde

TWENTY Strathclyde companies are jointly forming a limited company to provide a co-operative marketing and promotion service.

The venture, which will cost about £500 a year each, will involve centralised marketing on behalf of both individual companies and the group as a whole, aimed particularly at the offshore oil industry.

The move follows a successful initiative by Strathclyde Regional Council's industrial development unit to try to secure more of the £1.3bn. a year North Sea market for local engineering companies.

A register of all companies in the region with products applicable to the offshore oil industry, or who wanted to enter the market, has been compiled.

The list has been sent to the purchasing department of oil companies, their engineering consultants and associated concerns like module fabricators.

Condor extends its sailings

CONDOR, the Channel Islands hydrofoil operator, is to continue its sailings—originally due to end on December 18—until January 7.

Services will resume again on February 11, 1977, nearly three weeks earlier than this year, and will continue right through until January, 1978.

"In 1978 we will probably close the gap altogether and operate a year-round service," said Mr. Peter Dorey, the company's managing director.

National energy policy plea by Robens

By James McDonald

THE ONLY answer to interference by Ministers and Government departments in nationalised industries was a national energy policy and the appointment of an "energy commission," Lord Robens, chairman of Vickers and former chairman of the National Coal Board, said in London yesterday.

It was this lack of a national energy policy—of estimating the total and co-ordinating the allocation of resources—which was responsible for departmental interference in the running of the industries, he told a Coal Industry Society luncheon.

Within the Government departments the fault lay in the fact that different divisions of civil servants were responsible for individual industries with no overall concept of the nation's energy resources and how they should be deployed in the national interest. Each division was striving for the interests of its industry alone.

Cheapest

"There is no common interest, no national goal. There is no common energy policy, no transportation policy to deal in total with inland communications."

None of the chairmen of the nationalised industries had ever been asked to look at energy in total. The Central Electricity Generating Board, for example, was required to buy its fuel from the cheapest source. At present, because of action by the Organisation of Petroleum Exporting Countries, coal was now cheaper than oil, but the situation could be reversed.

Yet the Coal Board was being asked to invest huge sums in new pits with no guarantee that there would finally be a buyer for the extra coal.

Ashley Ashwood

SIR MARCUS SIEFF: Management faces increasing problems.

Businessman of the year —Sir Marcus Sieff

SIR MARCUS Sieff, chairman of Marks and Spencer, was presented with the Hambro Award for the Businessman of the Year at a Joint British Cancer Charities luncheon in London yesterday.

During the luncheon, Sir Marcus attacked Government tax policies saying there was frustration and demoralisation in business. He often wondered, after 40 years in Marks and Spencer, how hard it would be to build up the same business over the next 40 years. The answer was: it would be much harder, "if not impossible."

The main reason was "the growing disillusionment among our actual and potential leaders because of our inability to reward in anything like adequate measure people who exercise leadership, show enterprise, take on greater responsibility and work harder.

"This applies in ever-increasing degree to middle and senior management. They are facing increasing problems brought about by inflation and high personal taxation which starts at a relatively low income level.

"Many wonder whether the game is worth the candle."

Building societies face cash problems

By Michael Cassell, Building Correspondent

THE INFLOW of money into building societies could increase significantly in the spring, but the movement faced major problems in the intervening period, Mr. Roy Cox, chief general manager of the Alliance Building Society, said yesterday.

Mr. Cox, who was releasing details of his society's results for 1976, said it had now become clear that the higher interest rates recently introduced had not raised building society receipts. The flow of money into societies had continued to decline and the outlook was bleak.

Latest estimates suggest that net receipts for all building societies last month were somewhere between £40m. and £50m. against £142m. in October, making it the lowest month for takings since early 1974.

There are fears that this month, traditionally a poor month for savings because of Christmas, could even show the movement with a net outflow of funds

Open mind

The choice now confronting building societies was between a severe reduction in mortgage lending or higher interest rates. The situation would become clearer when the IMF talks were concluded.

If they were successful, general interest rates would start easing from about April or May, providing societies with an opportunity to increase their inflow to reasonable levels.

Whatever the longer-term outcome, it seemed inevitable that lending would slow down early next year.

APPOINTMENTS

J. Whyte to be senior director of development at Post Office

Mr. J. S. Whyte is to be the new senior director of development of the Post Office from January 1, succeeding Professor James Merriman, who retires at the end of this year.

Part of the early career of Mr. Whyte was in a Post Office radio laboratory at Castleton, South Wales, where he led a team responsible for developing microwave radio relay test equipment. For a period he was seconded to the Treasury in charge of Government computing. He returned to the Post Office in 1968 as deputy director of engineering with special responsibilities for long range studies. During that time he devised the strategy for modernising local telephone exchanges which led, after his appointment as director of operational programming in 1971, to the adoption of TXE4 as the next generation of switching systems for large local exchanges. In June 1975, Mr. Whyte was appointed director of purchasing and supply.

★

Sir John Partridge has accepted an invitation to become the first vice-president of the SOCIETY OF BUSINESS ECONOMISTS.

★

Mr. L. Roberts has been appointed a director of FRANCE FENWICK.

★

Expanded Metal Company has formed a subsidiary called EXPAMET EXPLOSAFE. Its directors will be Mr. E. C. Prentice (chairman), Mr. K. C. Fryer (managing director) and Mr. W. N. Waudby.

★

Mr. Brian A. E. Rogers has been elected a director of E. GRAY AND CO. (OVERSEAS).

★

Mr. Barry Peacock has been appointed to the Board of HALLENS OF CAMBRIDGE, and CHESTERTON AUTOCARS as sales director.

★

Mr. R. A. Fell has been appointed a director of BOOSEY AND HAWKES from January 1 to succeed Mr. David Adams, who is retiring from the Board at the end of this year.

★

Reabrook Investment Trust states that the acquisition of SUMMARY FIFTEEN has been completed and the following have been elected directors of the company: Sir Henry d'Avigdor Goldsmid, Mr. N. W. Berry, Mr. G. P. C. Howard and Mr. W. A. Walls.

★

Mr. John Crabb has been appointed managing director of JOHNSON WAX. He comes to England from Johnson's international headquarters at Racine, Wisconsin, where he was director of overseas marketing.

★

Mr. D. E. Lee has been appointed technical director, and Mr. Kevin Musgrove, financial director, of COCKER BROTHERS, a subsidiary of Woodhouse and Rixson (Holdings).

★

Mr. B. D. Warren has joined LESSER CONSTRUCTION (SOUTH) as director-general manager.

★

Mr. P. Irvine is resigning as managing director of C. E. HEATH AND CO. (SCOTLAND) from January 1, but will remain a director. Mr. W. M. McDonald will become managing director and Mr. J. Gordon, development director from that date.

LEGAL NOTICES

No. 102 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Liverpool District Registry Group A. In the Matter of CARDIGATE LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 22nd day of November 1976 presented to the Court by ALEX LAWRIE FACTORS LIMITED whose Registered Office is situate at Beaumont House, Beaumont Road, Banbury OX16 7RN in the County of Oxford, and that the said Petition is directed to be heard before the Court sitting at St. George's Hall, William Brown Street, Liverpool 3 in the Metropolitan County of Merseyside on the 17th day of December 1976 and any Creditor or Contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose and a copy of the Petition will be furnished by the undersigned to any Creditor or Contributory of the said Company requiring such copy upon payment of the regulated charge for the same.

BERMANS,
Trident House,
31/33 Dale Street,
Liverpool L2 2NS.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their Solicitors (if any) and must be served, or if posted, must be sent by post in sufficient time to reach the above-named not later than 4 o'clock in the afternoon of the 16th day of December 1976.

No. 003887 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of MERSEY FUEL OIL STORAGE COMPANY LIMITED and in the Matter of the The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 22nd day of November 1976, presented to the said Court by LIVERPOOL CITY COUNCIL of Dale Street, Liverpool, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL, on the 17th day of January 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

HOWLETT & CLARKE CREE & CO.,
13, Gray's Inn Square,
London, WC1R 5JU.
Ref: AIB/EL.
Tel: 01-242 7318/9.
Agents for:
LIVERPOOL CITY COUNCIL,
Dale Street, Liverpool.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 14th day of January 1977.

HOME NEWS

Dunford fends off JFB again

By Terry Wilkinson, City Staff

JOHNSON and Firth Brown, whose appeal against an injunction stopping it proceeding with its takeover bid for fellow Sheffield steelmaker, Dunford and Elliott, was allowed on Friday, has had its plans blocked again.

The latest setback is the result of a further approach by Dunford and Elliott to the City Panel on Takeovers and Mergers, which temporarily prevents JFB from issuing its formal offer document.

Dunford, which contacted the Panel immediately after Friday's judgment, says that the Court of Appeal had not dealt with the rights and wrongs of its claim that confidential information passed to J.F.B. by the Prudential Assurance had given J.F.B. an "unfair advantage" over Dunford shareholders.

Morgan Grenfell, advisers to Dunford, has twice before contacted the Panel on this issue. The first time was before the bid, when it became aware that J.F.B. may have had access to confidential financial information, and the second after the bid, when it succeeded in imposing a temporary ban on J.F.B.'s purchases of Dunford shares.

Information

It emerged in the Court of Appeal hearings last week that the Panel had sent a letter to J.F.B.'s advisors, Lazard Brothers, the day after Dunford issued its injunction writ, on November 16, saying that but for the writ and "subject to any significant new arguments" by Morgan Grenfell, it would have lifted its ban.

Morgan Grenfell is believed to feel that it has not yet had a chance to put its side of the case fully to the Panel and that, before the injunction hearings it did not know the full extent of the information passed to JFB.

The City Panel, the moral watchdog of the City, is to be asked to rule, in a way the Court was unable to, on the ethics of using confidential information provided for the purposes of underwriting a rights issue as a basis for a take-over bid.

Higher imports boost car sales to surprising 37%

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

CAR SALES in Britain increased last month by an unexpected 37 per cent., but this was accompanied by an increase in imports.

The new registration figures, issued yesterday by the Society of Motor Manufacturers and Traders, show that the British industry is still suffering from the supply weaknesses that have affected it throughout the year.

They will worry the Government, which has expressed anxiety about British Leyland's low productivity and the companies, which are trying to persuade Japanese manufacturers to restrain sales in Britain at a time when their own production cannot fill the gap.

The Japanese have argued repeatedly that this proposal simply helps Continental exporters.

Imports, at 40.5 per cent. (43,739 sales) in a market 37 per cent. up (107,330), increased from 34.6 per cent. in November last year.

A substantial amount of this rise was due to the import of vehicles from the Continental associate plants of the big U.S. multinationals in Britain—Ford, Vauxhall (General Motors), and Chrysler—which have all begun supplying more cars in this way during the last year.

Ford was the largest importer last month, at 6 per cent. of the total. It brings in Capris, Granadas and special Escorts from Germany.

In spite of the expansion of the multinationals' imports, however, the figures indicate that other European importers have been able to maintain their U.K. sales regardless of their deteriorating competitiveness as a result of the slide of the pound.

Partly because of the import position, British manufacturers are continuing to gear up for higher production next year. It is felt that many import sales could be regained if supply were better.

There is some anxiety that next year's sales will not be as high as the 1.35m. cars recently predicted by the motor traders, depending largely on the decisions taken in the wake of the IMF negotiations with the Government.

On the other hand, this year's registrations look set to exceed the forecast 1.27m. units. By the end of the first 11 months of the year, sales stood at 1,224,580, an increase of 7.2 per cent. on the corresponding period last year.

Imports in the same period were 459,696—37.5 per cent., against 34.1 per cent. last year.

U.K. NOVEMBER REGISTRATIONS

		%
British Leyland	29,864	27.8
Ford	27,525	25.6
Vauxhall	10,155	9.5
Chrysler	7,066	6.6
Renault	4,755	4.4
Fiat	4,670	4.3
Datsun	4,590	4.3
Others	18,705	17.5
Total	107,330	100.0

Rolls-Royce name change approved by shareholders

BY MARGARET REID

SHAREHOLDERS of the old Rolls-Royce company, which collapsed in 1971, yesterday approved a poll vote to change their company's name to R-R Realisations.

The move will open the way for the State-owned aero-engine concern, Rolls-Royce (1971), to change its title to Rolls-Royce.

The alteration was endorsed by a heavy majority—98.4 per cent. to 1.6 per cent.—on the poll vote after a hand vote of 20—15 had failed to show the necessary 75 per cent. majority for the change.

Opposition to the transfer of the Rolls-Royce name by the old concern was voiced by several shareholders who questioned whether Rolls-Royce (1971)—which took over the former company's aero-engine business—had given adequate recompense for the familiar name.

But Mr. Rupert Nicholson, the receiver, said that Rolls-Royce (1971) had agreed in exchange to indemnify him in perpetuity against any liability in respect of Rols-Royce products produced before Rolls-Royce (1971) took over in May 1971. This was a necessary and valuable consideration.

Rolls-Royce (1971) said last night that its name should be changed to Rolls-Royce early in the New Year.

Recalling the history of Rolls-Royce's crash, and of his negotiations which led to the Government buying the aero-engine side, including Rolls-Royce (1971), for £87½m., Mr. Nicholson said that two American groups had been ready to buy the business. They were Pratt and Whitney and General Electric of the U.S.

Mr. Nicholson said that the Government had given him an indemnity to continue work on the RB-211 "on condition I told the Americans to buzz off."

He also said that the two American companies—if either had gained the aero-engine business—would have ceased work on the RB 211 and used the factories to make their engines.

Some drivers 'wasting time'

DRIVERS who obey the law by sending off special forms detailing sales of cars are wasting their time, according to the Vehicle Licensing Centre in Swansea. Their staff ignore the disposal forms—which arrive by the hundred every day—because they allegedly cause more trouble than they are worth.

The centre said yesterday that forms giving details of new owners were often not filled in correctly, and involved much "clerical correction."

As a result, staff ignored forms from previous owners and waited for those from new owners.

U.K. plan could stop U.S. airline

By Michael Donne, Aerospace Correspondent

EITHER PAN American or Trans World Airlines will have to stop flying between New York and London, if new British plans for air services across the North Atlantic are approved by the U.S. and U.K. Governments.

The plans will be put to a U.S. negotiating team in London this week as part of the talks now in progress aimed at reaching a new Anglo-U.S. air services agreement to replace the existing Bermuda Agreement.

The U.K. gave notice to the U.S. some time ago that it was ending the existing agreement from June, and over recent months a series of discussions in both Washington and London has been taking place, in an attempt to hammer out a new pact to become effective next June 23.

A keystone of the U.K. argument is that in future there should be stricter control of the number of seats the airlines from each country offer for sale on the North Atlantic route.

Hitherto, there has been no such control, and the result has been (apart from temporary pacts, such as at the time of the fuel crisis) virtually a free-for-all, in which neither country's airlines have made any money.

Overall losses

Overall losses by all the U.S. and European airlines on the North Atlantic last year are collectively estimated at over $600m. (£360m.), and are expected to be worse this year.

The U.K. says that this is due to lack of capacity control, and it is one of the main reasons why it is pressing for some methods of control in any new Anglo-U.S. air agreement.

Retail sales rise but are still under 1975 average

BY MICHAEL BLANDEN

A RECOVERY in sales of consumer durable goods is reflected in the retail sales and hire-purchase figures for October.

Retailers report that the improvement has continued over the past month, perhaps partly reflecting buying in the expectation of Value Added Tax rises in the forthcoming economic package.

However, the level of sales so far this year has been below the average for 1975. Traders are concerned that the Christmas and New Year sales will not match the previous years, in spite of the impact of sales to foreign tourists.

In October, the volume of retail sales slipped back a little, with the final seasonally adjusted index at 107.3—in line with the preliminary estimate of 107½.

This compares with an average level of 108.7 in the previous three months, when sales recovered sharply from the depressed levels of May and June with the help of the summer tax cuts.

Over the three-months from August to October, the volume of sales was 1½ per cent. higher than the previous three months.

But over the first 10 months of the year the average level of trade was slightly below the average for last year.

Within the total, however, sales by durable goods shops in the latest three months were 5 per cent. higher than in the previous period.

Hire purchase figures show that retailers and finance houses advanced £309m. in new instalment credit agreements in October (seasonally adjusted)—slightly down from the previous month's £319m., but still well above the levels earlier this year.

In the latest three months, lending by retailers was up by 10 per cent. compared with the previous period, while lending by finance houses increased by 3 per cent.

H.P. CREDIT AND RETAIL SALES

Seasonally adjusted

	New credit extended by: Finance Houses £m.	Retailers £m.	Total debt outstanding (unadjusted) £m.	Retail volume (revised) Total (1971=100)	Durable goods shops (1971=100)
1975					
1st	286	425	2,265	11.3	129
2nd	309	450	2,766	108.9	130
3rd	303	445	2,257	105.5	111
4th	303	466	2,320	105.8	112
1976					
1st	343	495	2,297	107.3	118
2nd	385	488	2,363	106.7	121
3rd	392	521	2,465	108.7	127
1976					
Jan.	111	171	2,299	109.8	125
Feb.	111	165	2,296	107.1	121
March	121	159	2,297	105.5	112
April	127	164	2,320	108.5	128
May	126	165	2,356	105.7	117
June	132	159	2,363	106.1	119
July	126	164	2,386	108.3	127
Aug.	129	175	2,430	108.9	128
Sept.	137	182	2,465	108.8	127
Oct.	128	181	2,519	107.3	126

Source: Department of Industry.

Attempt to unseat student leader

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

CONSERVATIVES and Trotskyites in the National Union of Students will both try to unseat Mr. Charles Clarke, the NUS president, when the union's winter conference meets in Blackpool at the week-end.

Mr. Clarke, a Marxist member of the Broad Left group of Labour Party and Communist students, is under attack because of the recent collapse of NUS Travel, the subsidiary service which offered cut-price fares and other travel facilities to members.

Since the Conservatives might muster 150 votes and the Trotskyites, 200 of the conference total of roughly 700, a joint effort could succeed in forcing Mr. Clarke's resignation.

The Federation of Conservative Students said yesterday that although there was no question of an alliance with the Trotskyites "if there is a motion of no confidence in Charles Clarke, we will support it."

Graduates avoid industry

A FALL in industrial and commercial recruitment of U.K. university graduates last year is indicated in statistics published by the University Grants Committee to-day, writes Michael Dixon.

Of the 73,030 bachelor-level and higher-degree graduates only about 17.8 per cent. are known to have gone into industrial and commercial jobs in the U.K., compared with 19.7 per cent. of the 72,548 total in 1974.

The proportion going into the public services and education rose slightly to 16.8 per cent., compared with 16.5 per cent. in 1974.

Graduates believed to be unemployed at the end of the calendar year, six months after collecting their degree, were about 4.5 per cent. last year, against only 2.5 per cent. in 1974.

Ipswich bridge 'too low'

THE Ipswich Port Authority has criticised the design of a bridge to carry the proposed Ipswich by-pass over the River Orwell.

It says that the bridge would be too low for many ships to sail underneath, and would damage the prosperity of the port.

Campaig[n] by Co-op has £3m. budget

By Elinor Goodman, Consumer Affairs Correspo[ndent]

THE Co-op is to try to streng[then] its image as an organi[sation] with a social purpose and [pro]mote the factors which di[ffer]entiate from competitors [in the] High Street.

A £3m. advertising campai[gn] to be launched next year [by] the Co-operative Whol[esale] Society under the [slogan] Your Caring, Sharing Co-op.

The campaign involves a statement of the movem[ent's] fundamental principles af[ter a] period in which the need [to] put the business on a [sound] commercial footing took pr[ece]dence over social aims.

By stressing the factors [w]hich make it unique, [the] Co-op hopes to be able to [gain] an edge on supermarket [com]petitors.

The commercials will stress [that] the Co-op is owned and run [by] customers "and it is they [who] benefit from profits eit[her] through the dividend [stamp] scheme or re-investment.

The campaign comes eight ye[ars] after Co-operative re[tail] societies around the coun[try] promoted a common iden[tity] and worked more clo[sely] together.

Known as Operation Facelift, [it] involved a big change [in] marketing policy and [the] adoption of a common [label] used on most Co-op shops' own-brand products.

The changes introduced si[nce] 1968 seem to have paid [off]. The Co-op's share of total re[tail] sales, which had fallen [from] 12 per cent. in 1957 to 7 [per] cent. in 1974, rose to 7.2 [per] cent. last year.

Mr. Arthur Sugden, chief exe[cu]tive of the CWS, said yes[ter]day that with retailers accou[nt]ing for eight of the [10] largest advertisers it was [felt] that something more wa[s to] be expected from the Co[-op] than just "trying to out-do [its] competitors."

Research had shown that [while] older customers recogn[ised] that the business was own[ed] and run by customers [and] profits either went back [to] it or were distributed to [con]sumers, this awareness was [not] as strong among the youn[ger] consumers the Co-op m[ust] attract if it is to continu[e to] grow.

U.K. defici[t] of £1.5bn. forecast

By Peter Riddell, Economics Correspondent

THE CURRENT ACCOU[NT] deficit on the balance of p[ay]ments is still expected to [be] £1.5bn. next year, according [to] forecasts published this morn[ing] by Economic Models, the eco[no]mic consultancy organisation.

The current account should [be] approaching a surplus by [the] middle of 1978 and, according [to] the forecasts, progress would [be] swifter if the terms of tra[de] were not to deteriorate, as [ex]pected, next year following [a] further fall in sterling and [a] rise in world commodity pri[ces].

Economic Models is projec[ting] a 2.6 per cent. rise in G[ross] Domestic Product next ye[ar] almost entirely due to a 9.5 [per] cent rise in the volume of [ex]ports. The increase in i[mport] volume is expected to be lo[wer] next year at 2.7 per cent.

Manufacturing investment [is] forecast to rise by 11.3 per ce[nt]

ICI scheme for new plant rounds off 50 crowded years

BY RHYS DAVID, CHEMICALS CORRESPONDENT

ICI's ANNOUNCEMENT last week that it was to spend more than $200m. in the U.S. on a major basic chemicals plant has come just in time to round off a crowded 50 years.

For to-day marks the anniversary of the merger back in 1926 of four of Britain's then biggest chemical companies to form Imperial Chemical Industries, able to rival the biggest groups in the world.

Unlike much of the rest of British industry ICI has held its position since, ranking still among the 10 top world chemical companies and enjoying last year, in the worst recession the industry has known since the war, a better performance than many of its competitors.

Before the 50 years were up, ICI's original profit of £4.5m. in 1927 had been exceeded one hundred-fold by the record £455m. earned in the 1974 boom.

Sales last year stood at more than £3bn. and despite the change from labour-intensive to capital-intensive processes, employment has increased from 33,000 to 200,000 over the past 50 years.

The company owes its origins to concern after World War I that Britain's chemical industry was falling behind rivals in Germany and the U.S.

First tasks

After discussions on board the liner Aquitania in mid-autumn, 1926, four companies were brought together — Brunner, Mond; Nobel Industries; British Dyestuffs Corporation; and United Alkali—with the chairmen of the two dominant partners—Sir Alfred Mond, head of Brunner, Mond, and Sir Harry McGowan of Nobel Industries—destined to be the men who would weld the new group together.

One of the first tasks was to revive dyestuffs research, then dominated by the German chemical industry, and to complete the large synthetic ammonia and fertiliser project begun by Brunner, Mond, at Billingham in the north-east of England.

Significantly, 50 years later, dyestuffs remain ICI's biggest single export commodity and the company now ranks among the top four world producers.

Teesside in the North-East, where oil rather than coal is now the main feedstock, is one of ICI's largest manufacturing sites and one of the biggest petrochemical complexes in the world.

The 1929-31 Depression affected ICI along with other companies, and capital expenditure fell from £11m. in 1929 to only £945,000 in 1931, a year in which wage cuts were introduced by the company and some £11m.-worth of plant at Billingham was idle.

Succeeding years, however, saw new developments in plastics, including commercial production of polyethylene, an ICI discovery, and moves by ICI into pharmaceuticals, agricultural chemicals, and fibres.

Widely used

During World War II, ICI formed British Nylon Spinners jointly with Courtaulds. After the war, ICI was responsible for developing and bringing to the market Terylene, the original polyester, now the most widely used man-made fibre.

The changes that have shaped the present ICI have taken place mostly in the past 10-15 years, and have been directed towards ensuring that ICI retains a strong world position as a major chemical producer.

With manufacturing facilities in 41 countries and sales in practically every other one, ICI is the most widely spread of all the big chemical companies.

In 1960, ICI's turnover in Europe was about £40m., and capital invested there was only £10m. Last year, sales in Europe, including direct exports from the U.K., totalled £520m. with a substantial proportion coming from ICI's plants on the Continent, where assets now exceed £100m.

Landmarks in ICI's history

- 1926: ICI incorporated on December 7
- 1933: Polyethylene discovered at Winnington
- 1940: British Nylon Spinners formed by ICI and Courtaulds
- 1946: ICI buys rights to "Terylene" from Calico Printers Association
- 1951: First naphtha "cracker" commissioned at Wilton
- 1957: "Fluothane" anaesthetic first marketed
- 1960: Commercial introduction of bipyridyl herbicide
- 1963: First plants commissioned at Rozenburg, Holland
- 1964: ICI buys Courtaulds' interest in British Nylon Spinners
- 1971: Acquisition of Atlas Chemical Industries Inc in the U.S.
- 1974: Major North Sea oil find by consortium including ICI
- 1976: ICI joins partnership to build big basic chemicals plant in Texas.

M & G leads unit trusts

FINANCIAL TIMES REPORTER

THE LATEST unit trust performance figures from Planned Savings, covering the 11 months of the year so far, show that U.S. and Far Eastern trusts still dominate the short-term list.

Strongly in the lead is the M & G American Fund, which has increased by 39 per cent. in unit value since the beginning of the year.

The first trust with a U.K. bias to figure in the lists is Arbuthnot Preference Share, with a 6 per cent. gain, followed closely by Target Preference.

A wide variation in performance built up in the 11 months, the investor who chose the best-performing trust over the period would have seen a 39 per cent. appreciation in his money, whereas the one who chose the worst performer—Slater Walker Minerals—would have seen a percentage decline of similar magnitude.

Over the period the F.T. All-Share Index has declined 15.3 per cent.

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on December 6, 1976. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territory; (k) Scheduled Territory; (o) official rate; (F) free rate; (T) tourist rate; (n.c.) non-commercial rate; (n.a.) not available; (A) approximate rate no direct quotation available; (sg) selling rate; (bg) buying rate; (nom.) nominal; (ex/c) exchange certificate rate; (P) based on U.S. dollar parities and going sterling dollar rate; (Bk) bankers' rate; (Bas) basic rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate.

Sharp fluctuations have been seen lately in the foreign exchange market. Rates in the table below are not in all cases closing rates on the dates shown.

Place and Local Unit		Value of £ Sterling
Afars & Issas	Djibouti Franc	292(sg)
Afghanistan	Afghani	78 (A)
Albania	Lek	(O)10.16(A) (n/a)
Algeria	Dinar	6.80
Andorra	French Franc / Spanish peseta	8.28¼ / 113.20
Angola	Angola Escudo	n.a.
Antigua (S)	E. Carribbean	4.4758
Argentina	Ar. Peso Free Rate	454.85
Australia (S)	Australian $	1.52651
Austria	Schilling	28.20
Azores	Portug. Escudo	52.50
Bahamas (S)	Ba. Dollar	1.6570
Bangladesh (S)	Taka	25.37(sg)
Bahrain (S)	Dina	0.652
Balearic Is.	Spa. Peseta	113.20
Barbados (S)	Barbados $	3.3140
Belgium	B. Franc	(cm)60.70 / (fn)61.15
Belize	B$	3.3140
Benin	C.F.A. Franc	414⅛
Bermuda (S)	Bda. $	1.6570
Bhutan	Indian Rupee	14.65
Bolivia	Bolivian Peso	33.14
Botswana (S)	Pula	1.44152
Brazil	Cruzeiro	19.91
Br. Virgin Is. (S)	U.S. $	1.6570
Brunei (S)	Brunei $	4.0675
Bulgaria	Lev	1.6840
Burma	Kyat	11.60
Burundi	Burundi Franc	148.88
Cameroon Rp	C.F.A. Franc	414⅛
Canada	Canadian $	1.7026
Canary Is.	Spanish Peseta	113.20
Cape Verde I.	Cape V. Escudo	52.50
Cayman Is. (S)	Cay. I. $	1.5608
Cent. Af. Rp.	C.F.A. Franc	414⅛
Chad	C.F.A. Franc	414⅛
Chile	C. Peso	(Bk) 27.70
China	Renminbi Yuan	3.1531
Colombia	C. Peso	(F) 59.81
Comoro Is.	C.F.A. Franc	414⅛
Congo (B'ville)	C.F.A. Franc	414⅛
Costa Rica	Colon	14.2502
Cuba	Cuban Peso	1.37845(sg)
Cyprus (S)	Cyprus £	0.634
Czechoslovak	Koruna	(com) 9.55 / (n/c) 18.60 / (T) 16.28
Denmark	Danish Krone	9.71
Dominica (S)	E. Caribbean $	4.4759
Domin. Rep.	Dominican Peso	1.6570
Ecuador	Sucre	(F) 40.26 / (F) 47.87
Egypt	Egyptian £	(O) 0.6458 / (T) 1.1545
Ethiopia	Ethiopian $	(P) 3.4539
Eq'l Guinea	Peseta	[illegible]
Falkland Is. (S)	Falkland Is. £	1.0
Faro Is.	Danish Krone	9.71
Fiji Is.	Fiji $	1.6006
Finland	Markka	6.55
France	French Franc	8.28¼
Fr. C'ty in Af.	C.F.A. Franc	414⅛
Fr. Guiana	Local Franc	8.28¼
Fr. Pac. Is.	C.F.P. Franc	150.56
Gabon	C.F.A. Franc	414⅛
Gambia (S)	Dalasi	4
Germany (East)	Ostmark	5.57

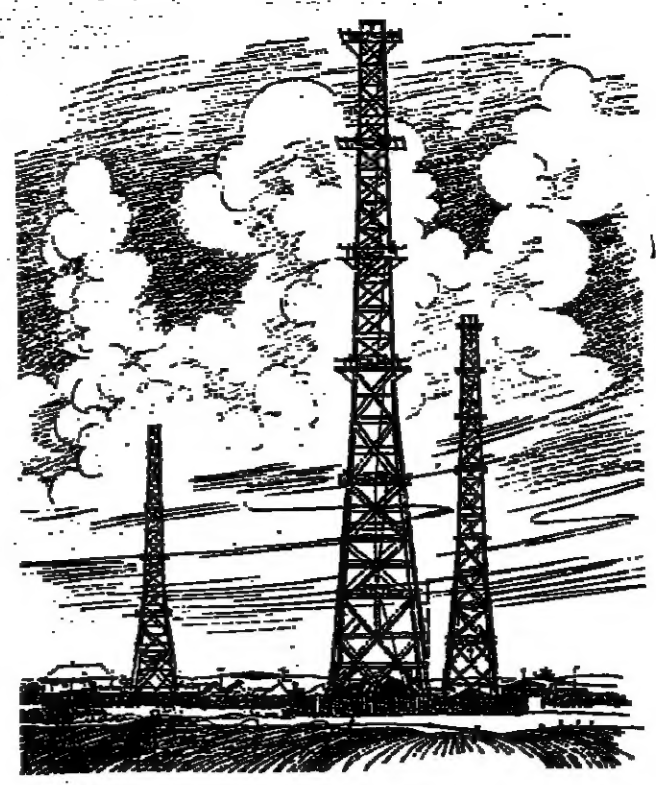
Place and Local Unit		Value of £ Sterling
Germany West	Deutschemark	3.97
Ghana (S)	Cedi	1.91
Gibraltar (K)	Gibraltar £	1.00
Gilbert Is.	Aust. Dollar	1.52881
Greece	Drachma	61.7800
Greenland	Danish Kroner	9.71
Grenada (S)	E. Caribbean $	4.4759
Guadaloupe	Local Franc	8.28¼
Guam	U.S. $	1.6570
Guatemala	Quetzal	1.6570
Guinea Rep.	Sily	36.801
Guinea Bissau		52.279
Guyana (S)	Guyanese $	4.2255
Haiti	Gourde	8.850
Honduras Rep.	Lempira	3.35
Hong Kong (S)	H.K. $	7.8750
Hungary	Forint	(com) 71.8 / (nc)(T) 56.92
Iceland (S)	I. Krona	316.60
India (S)	Ind. Rupee	14.65
Indonesia	Rupiah	687.65
Iran	Rial	(A) 115.5
Iraq	Iraq Dinar	0.49051
Irish Rep K	Irish £	1.00
Israel	Israel £	14.5917
Italy	Lira	1,453
Ivory Coast	C.F.A. Franc	414⅛
Jamaica (S)	Jamaica Dollar	1.5065
Japan	Yen	492
Jordan (S)	Jdn. Dinar	0.541(sg)
Kampuchea	Riel	n.a.
Kenya (S)	Ken. Shilling	13.97
Korea (Nth)	Won	n.a. (g)
Korea (Sth)	Won	803.35
Kuwait (S)	Kuwait Dinar	0.478
Laos	Kip Pot Poi	331.4
Lebanon	Lebanese £	4.9987
Lesotho	S. African Rand	1.44152
Liberia	Liberian $	1.6570
Libya	Libyan Dinar	(P) 0.4906
Liecht'nstn	Swiss Franc	4.16¼
Luxembourg	Lux Franc	61.15
Macao	Pataca	12.7525
Madeira	Portug'se Escudo	52.50
Malagasy Rp.	MG Franc	414⅛
Malawi (S)	Kwacha	1.52
Malaysia (S)	Ringgit	4.1932
Maldive Is. (S)	Mal Rupee	14.712
Mali Rp.	Mali Franc	828
Malta (S)	Maltese £	0.719
Martinique	Local Franc	8.28¼
Mauritania	Ouguiya *	82.916
Mauritius (S)	M. Rupee	11.125
Mexico	Mexican Peso	33.35
Miquelon	C.F.A. Franc	414⅛
Monaco	French Franc	8.28¼
Mongolia	Tugrik	[illegible]
Montserrat	E. Caribbean $	4.4759
Morocco	Dirham	[illegible]
Mozambique	Moz. Escudo	[illegible]
Nauru Is.	Aust. Dollar	1.52881
Nepal	Nepalese Rupee	[illegible]
Netherlands	Guilder	[illegible]
Neth. Ant'les	Antillian Guilder	[illegible]
New Hebrides	Franc / Austl. Dollar	[illegible]
N. Zealand (S)	N.Z. Dollar	[illegible]
Nicaragua	Cordoba	[illegible]
Niger Rp	C.F.A. Franc	414⅛
Nigeria (S)	Naira	[illegible]
Norway	Norw. Krone	[illegible]
Oman Sultanate of (S)	Rial Omani	[illegible]
Pakistan	Pkst. Rupee	[illegible]
Panama	Balboa	[illegible]
Papua N.G. (S)	Kina	1.2889

Place and Local Unit		Value of £ Sterling
Paraguay	Guarani	208.75
P'ple's D. Rp. of Yemen (S)	S. Yemen Dinar	(A) 0.56675
Peru	Sol	exc A 112.64
Philippines	Ph. Peso	12.3231
Pitcairn Is. (S)	£ Sterling / New Zealand $	— / n.a.
Poland	Zloty	(Cm) 52.52 / (T) 55
Portugal	Pgse Escudo	52.50
Port Timor	Timor Escudo	52.50
Principe Isle.		n.a.
Puerto Rico	U.S. $	1.6570
Qatar (S)	Qatar Ryal	6.51
Reunion, Ile de la	French Franc	8.28¼
Rhodesia	Pound	1.022
Romania	Leu	(cm) 10.28 / (n/c) (T) 19.86
Rwanda	Rwanda Franc	153.87
St. Christopher (S)	E. Caribbean $	4.4759
St. Helena (S)	£ Sterling	—
St. Lucia (S)	E. Caribbean $	4.4759
St. Pierre	C.F.A. Franc	414⅛
St. Vincent (S)	E. Caribbean $	4.4759
Salvador El	Colon	4.14
Samoa (Am)	U.S. $	1.6570
San Marino	Italian Lire	1,453
Sao Tome	Pgse. Escudo	52.50
Saudi Arabia	Ryal	5.88
Senegal	C.F.A. Franc	414⅛
Seychelles	S. Rupee	13.66
Sierra Leone (S)	Leone	2.0
Singapore (S)	Singapore $	4.0675
Solomon Is. (S)	Australian $	1.52258
Somali Rep.	Som Shilling	(A) 10.4506 sg
Sth. Africa (S)	Rand	1.44152
S. W. Africa Territories (S)	S.A. Rand	1.44152
Spain	Peseta	113.20
Span. Ports in North Africa	Peseta	113.20
Sri Lanka (S)	S. L. Rupee	14.5775 sg ◆◆
Sudan Rp.	Sudan £	A 0.5716 sg
Surinam	S. Guilder	2.96603
Swaziland (S)	Lilangeni	1.44152
Sweden	S. Krona	6.92
Switzerland	Swiss Franc	4.05¼
Syria	Syria £	(A) 6.0995 sg
Taiwan	New Taiwan $	(P) 62.965
Tanzania (S)	Tan. Shilling	13.97
Tavalu	Australian $	[illegible]
Thailand	Baht	33.8375
Togo Rp.	C.F.A. Franc	414⅛
Tonga Is. (S)	Pa'anga	1.5800
Trinidad (S)	Trin. & Tobago	3.9768
Tunisia	Tunisian Dinar	0.683 (sg)
Turkey	Turkish Lira	26.4 (bg)
Turks & Caicos	U.S. Dollar	1.6570
Uganda (S)	Ug. Shilling	13.97
Utd. States	U.S. Dollar	1.6570
Uruguay	Uruguay Peso	(cm) 6.42 / (fn) 6.52
Utd. Ab. Emts.	U.A.E. Dirham	6.60
U.S.S.R.	Rouble	1.28
Upper Volta	C.F.A. Franc	414⅛
Vatican	Italian Lira	1,453
Venezuela	Bolivar	7.10 (x)
Vietnam (Nth)	Dong	n.a. (g)
Vietnam (Sth)	Piastre	[illegible]
Virgin Is. U.S.	U.S. Dollar	1.6570
Western Samoa (S)	Samoan Tala	1.9887
Yemen	Rial	7.35 (sg)
Yugoslavia	New Y Dinar	30.4499
Zaire Rp.	Zaire	1.4456
Zambia	Kwacha	1.32

◆ That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa.
◆◆ Rupees per pound. Tourists visiting Sri Lanka receive a premium of 65 cents per cent.
* The Ouguiya has replaced the CFA franc. The exchange was made at a rate of CFA Frs.5 to one unit of the new currency.
(n) General rates oil and iron exports 40.20.
(g) The Mongolian tugrik has lately been reported to stand at an official commercial rate of 6.225 Russian roubles; The North Vietnamese dong at 2.395 roubles and the North Korean won at 0.7455 roubles. With the pound standing at 1.35 roubles the following relationship could be calculated for the pound: £=5.56 tugrik; £=4.08 won.
· Rate is the Transfer market (controlled).
** Rate is now based on 2 Barbados $ to the dollar.
† Now one official rate.
‡ Following 27.5 per cent. devaluation.

1926 Four independent chemical companies merge to form ICI.

1929 First meeting of Central Works Council. Pioneered joint consultation in industry.

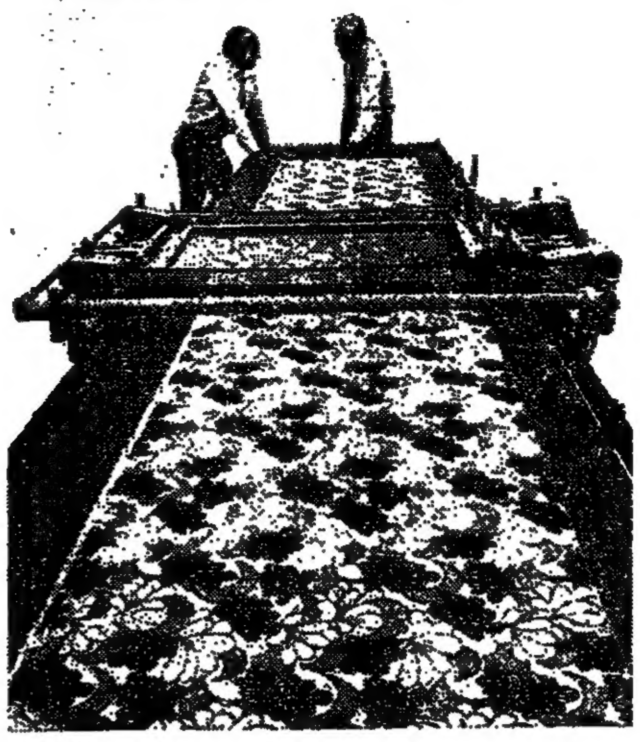


1933 Polythene discovered. First major use—wartime radar.

1944 Important pharmaceuticals breakthrough with discovery of anti-malarial drug.

1951 New plant commissioned on Teesside to make chemicals from oil—major step in development of plastics and man-made fibres.

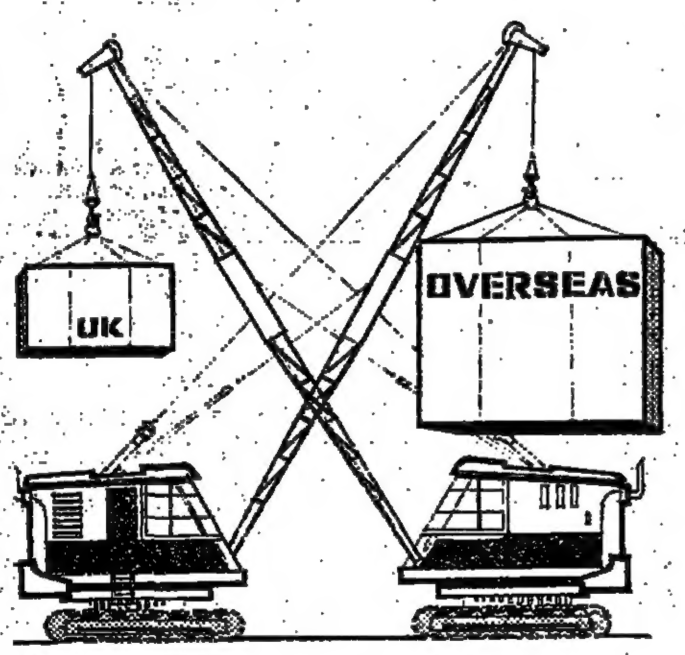
1952 First commercial production of 'Terylene'.



1956 First fibre reactive dyestuffs marketed—the 'Procion' range.

1961 Bipyridyl herbicides introduced. Vitally important for the development of agriculture throughout the world.

1963 First major ICI European chemical complex commissioned at Rozenburg, Holland.



1967 Overseas sales exceed home sales for the first time.

1971 Purchase of Atlas Chemical Industries marks major expansion by ICI in North American market.

1976 ICI go ahead with £40 million investment to make protein for animal feedstuffs using North Sea Gas.

Today ICI celebrates 50 years of Ideas in Action

"Our future success lies in preserving a genuine regard for the interests and aspirations of people - not only the people who work for us, but those who buy from us, sell to us, live near our plants, supply our capital and depend on the wealth we generate."

Sir Rowland Wright, Chairman of ICI.

ICI 1926-1976

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● ELECTRONICS

Study may avoid big bang

BEATING three large Japanese electronics groups to the punch, a comparatively small U.K. electronics company has built and supplied a complex electronic control system for the supervision of particularly important testing equipment intimately linked with the Japanese nuclear energy programme.

TCS of Worthing, member of the Eurotherm International group, built the control and monitoring rigs to the order of the Japanese Atomic Energy Research Institute at Tokai-Mura not far from Tokyo.

They are intended to help the organisation to make a study of the behaviour of the "skin" of zirconium metal which is used to encapsulate the uranium oxide fuel used in many of the country's water-cooled reactors.

The furnace of a reactor is made up bundles of fuel rods around which the water flows and there has been a great deal of concern, particularly in Germany and Japan, as to what might happen in such a radioactive furnace should the coolant suddenly be lost for one reason or another.

It has been claimed that emergency cooling systems would cope with any such event. But the Japanese nuclear authorities are not prepared to accept such claims without a detailed investigation. The study of the behaviour of zirconium metal at high temperatures is part of their attitude.

The experiment is built around an array of zirconium tubes containing heaters to simulate the uranium and pressurised with helium. Power to the heaters is computer-controlled and as the heating is cycled, readings from 60 temperature points and 49 pressure points within the simulated furnace are scanned every two seconds.

Characteristics of zirconium change very quickly as the temperature approaches the melting point of this refractory metal. Therefore, the TCS equipment has had to be built to respond in a flash to any sudden jump in a reading. When this occurs, the controller will alter the scanning pattern to range closely around the "fault."

The contract for this complex unit took some two years of negotiations to secure and brought in £100,000 and a great deal of prestige for the small British company which indicates that some 50 engineers and technicians devoted about 7,500 man-hours of design, development and construction work to the array.

TCS at Broadwater, Worthing, Sussex BN14 8NL. 0903 31681.

Agreement on chips

CLOSER co-operation than at any time hitherto appears to be the order of the day among circuit manufacturers, the accent being on established majors keeping down research and development costs by licensing or cross-licensing arrangements concluded with leading innovators, or so it would seem.

The latest series of accords has just been announced by General Instrument Microelectronics. ITT has obtained from the latter a licence to manufacture and sell GIM's CP-1600, which is a microprocessor on a single chip.

GIM will also provide ITT with proprietary technical information so that it will be enabled to manufacture the 1600 immediately, together with associated components. ITT thus becomes a world second-source for this powerful micro-computer, with manufacturing based in Freiburg.

In a different, but equally important area of semi-conductors, GIM has reached an understanding with Sescosem, the semiconductor wing of France's Thomson-CSF, for the second-sourcing of each others' telecommunications microcircuits for telephone sets.

GIM has done a great deal of pioneering work in this area, particularly in MOS technology, and the move is expected to lead the partners to a dominating position in the supply of push-button devices to the European telecommunications industries.

As in the previous accord, the agreement is on-going and the results of experience and further research will be exchanged freely. In the case of GIM/Sescosem, further circuits will be added to the basic five as demand dictates. It is interesting that among the five circuits mentioned above, one was developed in France by an official Government body—CNET.

Further from GIM at 57 Mortimer Street, London W1N 7TD. 01-636 2022.

Electrodes for display devices

MANY OF the newly-emerging solid state and gaseous display devices need transparent conducting paths on the glass substrate and ERA at Leatherhead has just released details of a method that produces patterned transparent electrodes conveniently.

An organic paste containing unnamed metal compounds is screen printed in the required patterns on to plain glass sheets which are then heated in a furnace.

During firing the organic paste completely decomposes to leave a thin metal oxide film bonded to the glass. In this way the conducting film is deposited, formed and patterned in two simple operations. Ordinary window glass can be used as the substrate and high optical transmission is obtained. Sheet resistivity is normally around 800 ohms/square but higher conductivities can be obtained by modified processing.

ERA claims that the technique offers display device manufacturers substantial savings compared with available alternatives, together with the ability to coat glass in-house. More from Electrofilm Products Division of ERA Patents, Cleeve Road, Leatherhead (03723 74151).

● POWER

Generator keeps cost modest

TAKING advantage of the current difficulties of some importers, notably the Japanese, a Sussex company has introduced a compact petrol generator at £105.

Using a small two-stroke motor the company, Scorpio Electrics, has added a magneto type of generator in a vertical shaft arrangement that calls for no bearings on the generator itself and very little maintenance of any kind.

Overall dimensions are 13 x 10 x 13 inches and the weight is only 20 lbs. Quiet operation is obtained from a heavy duty silencer.

The "Sussex Elf" is capable of producing six amps at 48 volts and, for battery charging purposes the engine speed is manually adjusted to produce the required charging current. The unit has no switches and is short-circuit proof.

It also has the necessary fittings to enable it to be used as a portable/emergency floodlighting unit with twin 55W lamps, or as a yellow/blue flashing beacon

More from Orme Road, Worthing, Sussex BN11 4IZ (0903 204666).

No-break hybrid supply

THE BEST of static and rotary no-break power supply systems is provided in a hybrid equipment introduced by Anton Piller. Improved performance and reliability in relation to other systems is claimed and yet it is only half the size, weight and cost of available static systems states the company.

It consists of an alternator mounted on the same shaft as a DC motor, the latter powered from stand-by batteries. Heart of the system is a solid state static switch; this senses the mains supply, which normally passes through it to the load and also to the alternator. In this mode the alternator behaves like a motor, turning the DC motor and causing it to act like a generator. The batteries are thus charged.

However, when a mains failure occurs the static switch senses the loss and instantaneously connects the load direct to the alternator output. The batteries provide the power to drive the alternator via the DC motor, thus maintaining load power.

There are not many electronic components and as a result a MTBF of 19 years of operational life is claimed. Love Lane, Cirencester, Glos. GL7 1YG (0285 61377).

● PROCESSING

Nibbled asbestos is dustless

CUTTING ASBESTOS insulating board with high speed saws or discs always produces dangerous levels of asbestos dust. Now a method of cutting the board has been developed which does not produce dust, and complies with the Asbestos Regulations 1969 requiring a dust level of not more than 2 fibres/millilitre in the atmosphere breathed by the operator.

Called the Nibblertine, there are two models, one using a three-phase supply for factories, and the other single phase 110V for use on building sites. The action is described as a cross between nibbling and guillotining. The shearing action produces solid strips of waste, instead of fine dust.

Cutting speeds are said to be comparable with other hand-fed machinery, and can reach 66 feet/minute. A specially contoured blade presses out pellets 3/16th inch wide by about four inches long, which are collected in plastic disposable bags under the machine bed.

Shearing takes place on the down-stroke when the blade presses the flat asbestos sheet between a pre-set plate. The machine is powered by a 2 hp motor, with an automatic four-inch feed at each stroke.

When cutting soft insulation boards a small localised extraction unit is used to collect the waste particles, but with the sealed type of asbestos boards, and with fully and semi-compressed boards up to ½ inch thick, the maker says no extraction unit is needed. Even in the worst conditions the machine is said to produce no more than 1.5 fibres/ml, and the figure is normally much lower, depending on the material and operating speed.

More details from Nibblertine, Lancelot Road, Wembley, Middx., HA0 2BJ (01-903 8611).

● WOODWORKING

Timber cut with least waste

AFTER lengthy and successful field trials in the U.K. and overseas, a Leicester machine tool builder is backing its advanced computerised optimising cross cut timber saw with a major export drive. Sweden is among the first customers.

Timber reaches joineries in random lengths and conventionally an experienced saw operator decides what lengths a piece should be cut into to minimise wastage. While pre-sorting helps, it introduces another process, and even with the most experienced operator a manufacturer is apt to end up with 8 per cent, or more of waste.

Some waste can be used by putting it through a finger jointing machine to join pieces into saleable lengths. While these are no doubt to BSI specifications, they may not be acceptable to customers for technical or aesthetic reasons—and it again introduces an extra process. Indeed, it would prove impracticable to provide sufficient finger jointing capacity to deal with all the wastage from a busy joinery.

The TT. 14 is programmed to minimise this waste far faster and more effectively than is humanly possible. Reductions from 8-9 per cent. to 3 per cent. are reported. Photo-electric cells at set intervals along a gravity roller conveyor trigger the computer programme which in turn tells the saw the optimum lengths into which to cut the piece in accordance with the overall programme.

The machine is made by Wadkin, Green Lane Works, Leicester LE5 4PF. 0533-769111.

● MATERIALS

Use of film extended

PRECISION TUBING of any length and any diameter, from 8 mm. upwards, made from Teflon FEP and PFA, is the latest addition to the range of fluorocarbon products and services available from Holscot Industrial Linings, Harlaxton, Grantham, Lincs. (0476 61380).

Made by an automated continuous process from film of 0.05 to 0.75 mm. thick, the new tubing is claimed to provide uniform wall quality, and to meet, economically, customers' specifications without special tooling costs. Details of the manufacturing method have not been revealed by the company, which is patenting the process.

The method extends existing applications of fluorocarbon film to sleeving, lining and roll covering, including heat-shrinkable and etched surface products, for which the company offers a new high temperature bonding adhesive. Applications are likely to be wherever high chemical resistance, non-stick properties or electrical insulation is required.

Holscot says it is interested in licensing the technology overseas.

● SAFETY

Less risk of slipping

LATEST ADDITIONS to the Unidese range of products are a heavy duty, non-slip flooring, and an industrial safety mat.

A rubber/cork material, the flooring is stated to have a non-slip surface which remains safe even when wet, is easily cleaned, and has a long life. It can be supplied in plain or slatted sheet. The latter is for use in areas of heavy wear, such as the entrance steps to public transport vehicles, gangways, etc.

Available in two standard sizes, 4 x 2 feet and 2 x 2 feet, both ½ inch thick, the cork-rubber mats normally require no adhesive as they lie flat. They are stated to be hard wearing, and non-slip, even in wet, greasy or oily conditions.

Details from the Cork Manufacturing Co., Langite Works, Hall Lane, South Chingford, London E4 8JB (01-529 1101), a Turner and Newall company.

Warning to cyclists

A PROBLEM has recently come to light which could affect hundreds of cyclists in the near future — some imported bicycles with 20-inch wheels are fitted with a type of rim not in general use in this country, for which replacement tyres are not readily available.

It is called the hooked bead rim, and has a rolled, beaded edge on the inner sides of the rims, which should be marked moulded lip on the tyre, the bead secures the tyre on the rim. The U.K. has always used straight-side rims, where the tyre is seated at the base of a channel. Both designs are satisfactory if the correct tyre is used. If the wrong tyre is fitted it could prove dangerous.

The problem has been pointed out by the British Standards Institution, which is preparing a standard for bicycle safety. BSI advises cyclists to check whether their cycles have hooked bead rims, which should be marked "HB5" (not always present). The cycles are usually of the folding type, and the tyres are marked "20 x 1.75" — British tyres are marked "20 x 1¾," although nominally of the same size, are for straight-sided rims and will not be satisfactory.

● AUTOMATION

Solid state but looks like relays

INDUSTRIAL controllers have been introduced by Cutler Hammer Europa which although solid state in operation can be programmed directly to provide step sequencing and skip functions in addition to relay logic, timing, counting and arithmetic operations.

They consist of a central processor, input and output units and power supplies. Either a display-based memory loader/monitor or a simpler push-button device is used for programming, monitoring, and fault location.

The display version can show in real-time two complete lines of relay logic simultaneously including timer, counter an[d] sequencers. Energised contact[s] are shown on the screen intensified.

Furthermore, no logic car[ds] are required to change or rever[se] the sequence of operation. Th[is] is done electrically with th[e] memory loader and programmi[ng] changes can be completed [in] minutes.

The controller can be field expanded economically fro[m] eight input, eight outputs and [...] of memory to a combined total [of] 1024 inputs and outputs [...] either 4k or 8k of memory. Model IPC-300 has semiconductor memory and IPC-1000 has ma[g]netic core.

Applications are expected [in] the motor car, steel, chemica[l], food, metalworking and many other industries where repetiti[ve] and sequential processes a[re] commonplace. More from Igranic Works, Elstow Road, Bed[]ford MK24 9LH (0234 67433).

● METALWORKING

Welding creep-resist steels

CREEP - RESISTING ferriti[c] steels are used in many critica[l] applications in the power genera[]tion, petro-chemical, and process industries, and information con[]tributing towards a better under[]standing of these materials [is] always of value to the industries concerned.

Last year the Welding Institute arranged a one-day seminar on this topic and fou[r] of the authors have give[n] permission for their lectures [to] be published. Although n[ot] offered as a comprehensive te[xt] on the welding and performance of creep-resisting steels, th[e] Institute says the informatio[n] presented will be of conside[r]able value to metallurgists an[d] engineers who need to keep [in] touch with current knowledg[e].

The contributions are an [up-]to-date appraisal of four [...] subject areas by leading autho[ri]ties in their fields and co[ver] service experience, the resu[lts] of research programmes at [...] major fabricating compani[es] and work on in-service inspe[c]tion at the CEGB.

"Welding Creep - Resista[nt] Steels," 88pp., £8 post free, fr[om] The Welding Institute, Abingt[on] Hall, Abington, Cambrid[ge] CB1 6AL (0223 891162).

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

Rubery Owen strike ends, but toolroom men walk out

BY ALAN PIKE AND ARTHUR SMITH

AINTENANCE ENGINEERS t Rubery Owen, the West idlands car components supplier, agreed yesterday to end eir unofficial strike, which as made 9,000 other workers lle, as men in Leyland Cars olrcoms throughout the Midnds stopped work in protest ver pay differentials.

Both disputes illustrate the ounting frustration about rosion of differentials in the ngineering industry, which emloyers are powerless to correct uring the present rigid pay olicy. There is a strong likehood of more such strikes this inter.

Although the 120 Rubery wen engineers decided to call f their action, the cause of the ispute is by no means settled. hop stewards said that the men ad agreed to resume normal orking only so that negotiaons on their pay claim could ontinue.

They denied suggestions that e strikers sought increases of 0 a week, and said they elieved the claim could be met ithin the social contract.

Basic to the prolonged indusial unrest at Rubery Owen's 'arlaston plant, where 2,750 are mployed, is the chaotic payents system, which allows orkers doing virtually the same bs to enjoy markedly different arnings.

The maintenance engineers, on a complex incentive scheme, maintain they are doing extra work because their numbers have been cut by 25 per cent. in recent months.

The three-week strike has cost Rubery Owen about £1.8m. in lost production. The company has said that continued disputes will put its viability at risk.

Leyland Cars, which had ten factories affected and 6,000 workers idle, said a progressive recall would begin as soon as component supplies were restored.

Yesterday's 24-hour toolroom action hit 17 Leyland plants, including the big factories at Longbridge, Birmingham, where 1,000 men joined the strike, and Cowley. Men at the Swindon body plant and the company's Llanelli factory remained at work.

A total of about 3,000 toolroom workers took part in the strike. It did not affect production but a prolonged company-wide toolmakers' strike would be very serious.

The action was organised by a recently-formed unofficial joint toolroom committee, founded in the Cars Division, but now, according to its leaders, attracting support from toolrooms in the Truck and Bus and Special Products Divisions.

The committee is concerned about erosion of pay differentials and the wide disparity of earnings between toolrooms, and demand separate pay negotiations for all toolmakers from the end of current annual agreements.

This has been rejected by the company, which refuses to recognise the committee as a bargaining unit.

Leyland Cars dismisses convenor

LEYLAND CARS has dismissed Mr. Bob Knight, the convenor alleged to have accepted payments from workers seeking jobs at the Castle Bromwich, Birmingham, factory.

Mr. Knight was suspended on full pay at the beginning of November while the company investigated allegations of malpractice.

The Amalgamated Union of Engineering Workers yesterday failed to agree with management after all the procedures had been exhausted.

The issue will be considered to-night by the Birmingham East district committee of the AUEW, which seems likely to seek the advice of the national executive on whether legal assistance should be given to Mr. Knight.

NALGO attack on public spending cuts

BY DAVID CHURCHILL, LABOUR STAFF

BRITAIN'S biggest public sector union, the 625,000-member National and Local Government Officers Association, yesterday indicated its growing disenchantment with the Labour Government's economic policies and planned cuts in public expenditure.

Mr. Geoffrey Drain, NALGO general secretary and a member of the TUC's economic committee, yesterday urged the Government to start "standing on its own two feet" instead of following Treasury inspired policies.

These policies, he said, had led the Government to believe that cuts in the public sector would generate a revival in manufacturing industry. "Redundant public servants are not miraculously transformed into machine tool operators," he added.

To support his arguments, the union has produced a special economic review which again calls for the Government to change its economic strategy and adopt the alternative policies advocated by NALGO and the TUC.

This economic view will be presented to the union's special conference on expenditure cuts early in January when a resolution endorsing further industrial action against the cuts is expected to be passed.

Already NALGO members have taken limited industrial action against councils who have threatened to impose redundancies and severe cuts in services.

Warning of possible zero growth next year unless the Government changes course, the union called for selective import controls, financial investment in industry including two-tier interest rates, and strong exchange controls to stop British companies investing overseas.

● The national executive of the Civil and Public Services Association is to-day considering a demand to step up their opposition to manpower cuts in the Civil Service. The call comes from members in the Department of Employment whose ban on statistical work has delayed publication of the unemployment figures. They want the union to impose a more effective overtime ban and other forms of selective action.

Prior launches his own plan for worker participation

BY JOHN ELLIOTT, MANAGEMENT EDITOR

The sharply opposing views on industrial democracy held by the main two political parties were detailed yesterday with the Government pinning its policy firmly on union-based worker-directors and the Conservative Party opting for a flexible approach based on a 13-point programme.

This followed the completion of the Bullock committee report on industrial democracy. This will be delivered to Ministers after it has been signed by committee members next Tuesday. It will be accompanied by a memorandum of dissent from three industrialists on the committee.

The main recommendations will provide for a unitary Board system for Britain's biggest 600 companies, with final responsibility for company affairs being shared between this Board, which will include employee representatives, and shareholders, who will have the right to veto certain key matters.

These ideas came under attack from Mr. James Prior, shadow Employment Minister, at an Industrial Society conference in London yesterday. They were also criticised by Mr. Hugh Scanlon, president of the Amalgamated Union of Engineering Workers, which opposes the idea of worker-directors in the private sector.

Mr. Prior gave an alternative 13-point programme which was a mixture of official Conservative Party policy and his own views. This included worker-participation being developed from the shop floor upwards. Company law would be amended to give employees equal statutory rights with shareholders and to enlarge the role of non-executive directors as guarantors of a Board's integrity, perhaps accompanied by voluntary experiments in worker-directors.

Most of these ideas would be operated through a code of practice rather than statutory imposition, and the industrial relations provisions would include increased shop-steward training and an extension of collective bargaining.

At the conference Mr. Albert Booth, Employment Secretary, repeated the Government's commitment to legislation on worker-directors and suggested that putting employee representative on Boards might help rather than hinder the functioning of management.

"With workers represented on the Board and involved in policy formation, employees will be less suspicious of new policies and more willing to co-operate with managers in deciding how they should be implemented."

Suggesting that the efficiency of management was one of the criteria against which the Government's policy should be judged, Mr. Booth added: "The role of management will change because it will only be involved in bringing corporate policy into reality, and that is what they should be best at.

"This contrasts with what they have to do now which includes persuading the workers that policies are right. Instead managers would be relieved of having to persuade the workers who would have already had their say."

Setback for agricultural workers

LEADERS of more than 240,000 agricultural workers yesterday failed to gain improvement on the terms of their recent pay award to enable some workers to obtain more than the £2.50 minimum across-the-board increase.

The National Union of Agricultural and Allied Workers had objected to their pay award because it did not give the full five per cent. increase allowed under current pay policy guidelines.

A meeting of the Agriculture Wages Board ruled yesterday that it was legally prevented from giving the full five per cent. increases to some workers because it had to state the minimum wage level in its notice to employers. It did agree to point out in the notice that employers were able to pay the full 5 per cent. increases, up to a maximum of £4, where applicable.

The wages board also agreed to take further legal advice on its ruling. The union, who voted against the ruling of the wages board, claimed giving the extra increases would not be against the pay policy.

Print men's loyalty to pay deal 'is strained'

HE GOVERNMENT was warned y a print union leader yesterday at his members' loyalty to the ocial contract was being strained to bte limit."

Mr. Joe Wade, general secetary of the National Graphical ssociation, said they had not nly had to accept a fall in real ving standards but also found emselves at a disadvantage ompared with workers in other ndustries.

Writing in Print, the union's ournal, he went on: "Certainly e can no longer tolerate a position in which differentials continue to narrow so dramatically within the printing and publishing industry by comparison with other manufacturing industries and services.

"What is more, whether we have a complete or phased return to free collective bargaining, there will undoubtedly have to be some provision for proper incentives to be reintroduced.

"In the printing and publishing industry, the whole basis of incentive working is rapidly being destroyed.

TENNIS BY JOHN BARRETT

Orantes extends his hot streak at Houston

HOUSTON, Dec. 6.

HE FIRST day of the Commeral Union Masters tennis pectacular in Houston's sumptuous Summit Arena ended on note of controversy on Sunday ight. Little Harold Solomon, e 24-year-old seventh ranked merican was 1—4 down in the pening set of his match against ose rival Brian Gottfried—also and ranked sixth nationally—hen he protested that the two feet by 15 feet Telscreens spended high in the roof at ch end of the giant arena were stracting him.

Guillermo Vilas (Argentine) outplayed Raul Ramirez.

Before the match had begun, th players had asked if the lscreens could be switched off uring play, in spite of the fact at the two earlier matches in hich Guillermo Vilas (Argene) had beaten Raul Ramirez Mexico) 7—6, 2—6, 7—5 and anuel Orantes (Spain) had dissed of Eddie Dibbs (U.S. 6—4, —2, had been completed witht complaint about the distracting effect of the live screens.

With the score 4—2 to ottfried, the tournament director, Mr. Geoffrey Mullis of Commercial Union, acceded to lomon's request and the reens went blank.

nly 15 minutes

Whether or not the incident as responsible, from that oment on Solomon lost only ur more games as he scuttled out the court firing doubleanded passing shots on the ckhand and whipping his top in forehand sharply across the gressive Gottfried as he comted a 6—4, 6—2 win that took s career record against the oridan to 11 wins and six sses.

"Maybe if we'd had a week here to practise it would ve been all right," explained lomon afterwards. "All we had s 15 minutes—it doesn't seem ir to pop it on us suddenly."

This match was a repeat of last onday's South African Open al—also won by Solomon, in ur sets. Earlier in the day, ler Orantes, the left-handed aniard whose current hot reak has brought him four les from six final-round appearces in seven tournaments, had tplayed Dibbs to record an pressive 6—4, 6—2 victory, the aniard had agreed that the lscreens were distracting, but nificantly he had not comained: "I try to concentrate d not look at the screens at ," said Orantes.

Surely this is the right attide. These professional players e first and foremost entermers, and well rewarded ones that; some might say overld, even. It is worth noting, r instance, that the eight men re between them have already n $2,019,468 this year. True professionals learn to live with the minor irritations that occur every week and if Telecreen is a development which the public enjoys—and it is—then the players must accept it. At any rate, at a cost of $350 per hour, the sponsors were hiring the closed circuit television crews to man the giant screens during to-day's practice sessions.

For me, Orantes has the right approach. "Right now I'm very confident. Although I have not done too well in previous Masters I feel I'm playing better than ever now. I'm trying to put it all together."

Dibbs certainly agreed that Orantes, who he beat in their first two meetings this year in Hamburg and Paris before losing in Madrid and Barcelona, was in top form. "Although he started badly (Dibbs led 3—0 in the opening set) he just got better and better and I kept seeing the balls whistle by."

Slow carpet

The Spanish champion moved Dibbs all over the slow carpet court with his accurate backhand and deft drop shots. "The slow court suits me; I have time to play my passing shots," said Orantes after the match. That was certainly true and on this form Orantes, now in his 28th year, might at last cap a career which has claimed many of the world's major slow court titles without stamping him as one of the game's great players.

On the other hand, with three more days of round-robin matches ahead before the knockout semi-finals and final, that is assuming too much. As the great Romanian, Ilie Nastase has twice shown during the course of his four successful Masters years, a loss on the first day is not necessarily decisive. Doubtless Ramirez, Dibbs and Gottfried will be out to confirm that fact. You could not ask for three more determined characters.

PARLIAMENT

Left urged to back surcharge Bill

Tories would make savage spending cuts—Sheldon

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

MORE THAN one Budget would be required to bring about Britain's economic recovery, Mr. Robert Sheldon, Financial Secretary, stressed in the Commons last night

"We believe the reduction in the public spending borrowing requirements will have to be achieved over a period by a combination of public expenditure and tax changes," said Mr. Sheldon, arguing the need for the controversial Bill to increase employers' National Insurance contributions.

The Bill would raise £950m. in revenue in the next financial year and reduce PSBR by £700m. on Government calculations.

But the Financial Secretary, evidently also looking ahead to the statement which it is anticipated will be made by the Chancellor later this month, told MPs: "Structural change (in the economy) won't be the result of one Budget or one package, but a succession of changes at different times."

The National Insurance Surcharge Bill was an important tax element in this process. But with some Labour backbenchers less than enthusiastic over the Bill, Mr. Sheldon warned them that a Tory administration would seek to meet the country's economic difficulties with massive reductions in public expenditure.

"So we must ensure that we don't allow the Tory Party to conduct their savage experiments on the body of British industry," he told Left-wingers who feared that the surcharge on employers would add to the unemployed totals.

Collect

From the Opposition front bench, Mr. John Nott deplored the Bill as a measure which would fall almost wholly on the private sector—the sector of the economy which was already bearing intolerable strains.

The Tories, he said frankly, would find the money required out of public spending generally. Indeed, if the Cabinet had been willing to take £2bn. from public expenditure cuts in July, it was more than possible that the collapse of sterling could have been averted.

The surcharge Bill would be more damaging to jobs and to investment than if the equivalent amount had been raised by means of VAT increases.

But Mr. Sheldon, anticipating these challenges to the Bill, said it would not hit investment. Over a period, the increase would be passed on to the public as an

Mr. Robert Sheldon

allowable cost under the Price Code. To that extent, it would not affect profits.

Mr. Sheldon emphasised that the effects of the surcharge—unlike the consequences of an increase in VAT—would be spread "thinly" over the economy.

Although the tax was being collected through the National Insurance machinery, it was not part of the National Insurance system. It would be extremely cheap to collect, with no administrative burden on employers and no new civil servants.

The change takes effect from next April. No contribution is levied on earnings below £13 a week, and the surcharge does not affect employees' contributions.

The Minister said the need to reduce the PSBR was to enable the Government, without increased inflation or intolerably high interest rates, to provide for the borrowing needs of the public sector and industry.

This was central to the Government's economic policy and if it failed, the prospects for the economy would be "vastly poorer."

There was no denying that the surcharge, like other taxes, would cause demand in the economy to fall, and this would have some effect on employment, the Financial Secretary acknowledged. "But I emphasise that the surcharge is not a tax on employment as such."

He estimated that by the fourth quarter, the adverse effects on employment might be somewhere about 10,000.

This could be compared with the estimated consequences that would be incurred if the standard rate of VAT were increased to 11 per cent—another way of reducing the PSBR. The VAT method would increase unemployment by 50,000 in the same period.

Not only that, but the VAT change would raise the retail price index by 1.8 per cent., whereas the surcharge proposed under the Bill would increase the index by only 0.9 per cent.

Mr. Sheldon said that other alternatives to the present Bill included a very large increase in excise duties, or higher corporation tax. But company profits had already been depressed by a sharp recession or higher income tax.

There remained the possibility of raising income tax still further. But the Minister did not think that anyone would prefer such a method to the present Bill.

For the Opposition, Mr. Nott doubted whether the Chancellor was wise to bounce the measure through the Cabinet. When this 23 per cent. increase in the tax on jobs took effect there would be more than 1.5m. unemployed with the trend rising.

The tax went entirely contrary to the Government's aim to boost manufacturing industry. It would be very difficult for businessmen to pass the tax through into prices. It would have to come out of profit margins which would have an effect on jobs and investment.

Mr. Jim Sillars (Scot. Lab. South Ayrshire) warned that he would not support the Government. Its economic policy was moving towards Conservatism and away from Socialism.

He described the £1bn. tax as pretty enormous deflation. It had to be considered in the context of what we had already had and what was probably to come before Christmas.

Civil Service pensions protest

BY JOHN HUNT

A PROTEST was made in the Commons yesterday by Mr. Tim Renton (C., Mid-Sussex) that the inflation-proof pensions of civil servants will continue to rise by 15 to 20 per cent. while average pay in the private sector will probably go up only by 3 per cent.

He found this disturbing, and suggested to Mr. Charles Morris, Minister of State for the Civil Service, that a limit must be placed on the annual rise intentions for workers in the public sector.

He pointed out that companies in the private sector could not possibly match these increases.

Mr. Renton had asked whether the Minister planned to reactivate the Civil Service Pay Research Unit, the fact-finding organisation which produced comparisons on which Civil Service pay was based. This work has been in abeyance over the past two years while the Government's pay policies have operated.

Mr. Morris told him that the unit, now with a substantially-reduced complement, was engaged in certain duties of a care and maintenance nature. There were no plans to reactivate the work the unit undertook before its suspension. This would depend on the development of national pay policy.

Complaints total

MORE THAN 18,000 complaints were made against the police in England and Wales last year, Dr. Shirley Summerskill, Home Office Under Secretary, said in a Commons written reply yesterday. The complaints led to 247 disciplinary charges and 128 criminal charges, she said.

Cost to engineering

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

Companies will have to find an extra £1bn. if the National Insurance Surcharge Bill proposals are implemented, claims the Engineering Employers Federation in a letter sent to the Prime Minister last night.

"We calculate that for the engineering industry the cost will be equivalent to a 20 per cent. increase in corporation tax," maintained Mr. Anthony Frodsham, director general of the EEF.

He warned that "the enactment of this Bill will add seriously to the industry's financing problems, will worsen the unemployment level and will hamper improvements in productivity."

The EEF has urged Mr. Callaghan to allow further time for "constructive representations to be made and considered" because the proposed Parliamentary timetable gives a "totally inadequate period for industry to prepare and present its case."

Welsh devolution 'an extravaganza'—MP

BY JOHN HUNT

THERE WERE ample signs of a backlash against the Government's devolution proposals yesterday when Ministers responsible for getting them on to the Statute Book answered questions in the Commons.

Mr. John Smith, Minister of State in the Lord President's Office, told MPs that the consultative document on English devolution will be published on Thursday, enabling it to be discussed in next week's debate on the devolution Bill.

According to Mr. John Ellis (Lab., Brigg and Scunthorpe) the Government was getting into "the devil of a mess." One of the manifestations of nationalism was that people were being overwhelmed by Government of all shapes and size.

Mr. Leo Abse (Lab., Pontypool) maintained that the people of Wales wanted nothing to do with the Bill at all. If they were really to be allowed to express their views, the Government should allow a free vote on the Bill in the Commons. MPs should be permitted to decide whether the Bill should include a clause on a referendum.

In questions to the We[lsh] Secretary Mr. Abse claimed th[at] the Government was embar[king] on an extravaganza which [was] repellent to most people [in] Wales.

He argued that the [...] Assembly would cost £2.5m. [and] 1,300 civil servants a furth[er] £10m. He wanted to know [how] the Government could exp[ect] local authorities in Wales to [re]duce expenditure while emba[rk]ing on such a course.

Mr. Dennis Canavan (La[b.] West Stirlingshire) said To[ries] should defy their party's thr[ee] line whip and vote for the [Bill] instead of submitting to the d[ic]tates of their leader, Mrs. [Mar]garet Thatcher, "that gr[eat] champion of individual libert[y,] the iron lady with the wood[en] head."

Terry Kirk

Cambridge by-election victor Mr. Robert Rhodes James arrived to take his seat at the Commons yesterday. He was given a loud Conservative welcome.

Estimates rise by £1.8bn.

By Rupert Cornwell, Lobby Staff

THE GOVERNMENT yesterd[ay] published supplementary es[ti]mates of an extra £1.8bn. [in] public expenditure in the curre[nt] financial year, most of which [is] due to inflation since the origina[l] spending estimates given w[ith] last spring's budget.

The latest estimates bring t[he] total so far to £37.3bn., a figu[re] £340m. above the total of supp[ly] estimates issued in the financ[ial] statement and Budget repo[rt]. However, because of saving[s] actual spending usually falls [...] below the total presented for th[e] year.

Of the latest batch [of] supplementaries, £1.5bn. [is] accounted for by pay and pri[ce] rises since the Budget. [A] further £106m. reflects highe[r] transfers inside the Governmen[t] which do not add to overal[l] public spending but which nee[d] authorisation by Parliament.

The remaining £190m. involve[s] volume increases in expenditure.

Lord Advocate studying SUITS report

FINANCIAL TIMES REPORTER

IN A WRITTEN question, Mr. Dennis Canavan (Lab. Stirlingshire W.) asked the Lord Advocate if, in view of the Stock Exchange report that there was prima facie evidence of breaches of sections 27 and 33 of the 1967 Companies Act by Sir Hugh Fraser's company, Scottish and Universal Investments, he would prosecute Sir Hugh and Mr. Nicholas Redmayne for such breaches.

Mr. Ronald King Murray, Lord Advocate, replied "I am studying the report which has now been submitted to me. I cannot at this stage state whether or not there will be any prosecution."

In reply to other questions, Mr. Stanley Clinton Davis, Under Secretary for Trade, said this his department was consulting the Lord Advocate.

Mr. Davis stated: "I am considering the Stock Exchange report, together with other information available to my department. The company is registered in Edinburgh and, accordingly, I am consulting the Lord Advocate."

Margaret Reid writes: The SUITS Board is meeting this week to consider a letter from a committee of institutional investors seeking reasons for Sir Hugh's continuance in office as chairman and a director. The letter makes the same inquiry about the role of Mr. Nicholas Redmayne and Mr. Angus Grossart as directors. Mr. Grossart resigned from the Board late last week.

The Stock Exchange report made extensive criticisms of Sir Hugh and Mr. Redmayne while clearing them of using inside information in share dealings.

The report was sent to the Trade Department because the Exchange's committee thought shareholders might not have been given all the information they could reasonably have expected. This is a situation which could prompt an inquiry under Section 165(b)(iii) of the 1948 Companies Act.

The report also noted prima facie evidence of breaches of Sections 27 and 33 of the 1967 Act.

Sir Hugh has threatened to sell his family's 36 per cent. stake in SUITS if he is ousted as chairman. He has been reported as saying that he is seeing two people this week about a possible purchase of the shares.

Mr. Lawrence Banks, chairman of the institutional investors' committee, said: "If Sir Hugh resigned as chairman and a director, there is no reason why the Fraser family should not be represented on the Board."

Morning Star eligible for State advertising

THE COMMUNIST Morning Star is now equal with all other national daily newspapers as a possible vehicle for Government advertising, Mr. William Price, Privy Council Parliamentary Secretary, said in the Commons yesterday.

Mr. Price said that the Morning Star had not in the past been considered because it did not produce independently-audited circulation figures.

"It will now do so and will in future be considered in the same way and on the same basis as every other national newspaper."

Mr. Peter Blaker (C Blackpool S) said it was a "curious" decision. More than one-third of the Morning Star's circulation was abroad in a "form of concealed subsidy for the Communist Party of Great Britain."

Mr. Price replied that it was not the only paper sold abroad. The Tories were really suggesting that Government advertising should be withheld from papers whose policies they disliked.

"If this Government put that into practice, there would be some suicidal managements in Fleet Street to-night, led by the Sun, Express, Mail, Telegraph and so on," he said to Labour laughter.

Mr. Peter Tapsell (C Horncastle) asked if the Government would advertise if the National Front produced a paper with audited figures.

Labour MPs roared with laughter when Mr. Price replied: "The Government advertises in the Daily Telegraph. There is no reason why any morning newspaper which supplies the figures should not be considered."

Phones cost

THE COST of the House of Commons telephone service in 1976-77 is estimated at £580,000, Mr. Michael Foot, Lord President of the Council, said in a Commons written reply.

Written Answers

ENERGY

Mr. Kenneth Warren (Con., Hastings). What is the average foreign exchange content by value in a gallon of motor vehicle petrol compared with some time before 1973 for which information is available.

Dr. J. Dickson Mabon, Minister of State. Most of the motor spirit consumed in the U.K. is one of many products derived from crude oil refined in this country and it is not meaningful to calculate the foreign exchange cost separately for each refined product. Some motor spirit is imported directly. In 1972 the average cif unit value was 5.3 pence a gallon. In October 1976 this had risen to 30.7 pence a gallon.

*

Mr. Geoffrey Dodsworth (Con., Hertfordshire S.W.). What security checks are carried out on employees at nuclear establishments before they are employed and from day to day?

Mr. Alex Eadie, UnderSecretary. It is the general practice in nuclear establishments to make pre-employment checks to see whether anything is on record against a prospective employee which might affect his suitability for employment. In the case of the small proportion of employees who have access to sensitive information more extensive inquiries are made: these are subsequently reviewed from time to time.

*

Mr. Geoffrey Dodsworth are there are plans to pravide further funds for British Nuclear Fuels.

Mr. A. Wedgwood Benn, Secretary of State. Financial support for the centrifuge project will continue into the next financial year, and the company will continue to receive Regional Development Grants for which it is eligible. I have indicated the Government's intention to take powers to guarantee the company's borrowing from the private sector, but the Government has no plans at present to provide additional funds itself.

Mr. James Sillars (Scot. Lab. South Ayrshire). What representations have been received from the National Union of Mineworkers for Government support for new sinkings in the Ayrshire coalfield.

Mr. Alex Eadie. The NUM has impressed upon me its concern about outlets for Ayrshire coal and its strong interest in new sinkings in Scotland in general.

CIVIL SERVICE

Mr. George Cunningham (Lab. Islington S. and Finsbury). What would be the saving to public expenditure in 1976-77 if the index linking of public service pensions had been subject to a limit equivalent to the rise in incomes permitted by the pay policy for the year August 1976 to July 1977? What is the estimate of tax offset on this saving?

Mr. Charles Morris, Minister of State. I regret that exact figures for all the public services are not available. However, the information for the Civil Service is as follows: The cost of increasing Civil Service pensions on December 1, by 13.8 per cent. is estimated at £31m. for a full year. If the present pay policy, including the £2.50 minimum, were to be strictly applied to Civil Service pension increases, the cost in the same period would be £39m. Thus there would be no saving to public funds, but an extra cost of £8m. This is because a 13.8 per cent. increase will mean less than £2.50 for some 220,000 of the 293,000 in receipt of Civil Service pensions. It is reasonable to assume that the rest of the public services would follow a similar pattern. As there would be no saving, there would be no tax offset.

PRICES

Mr. Giles Shaw (Con. Pudsey). How many consumer protection enforcement officers are currently employed by the department?

Mr. Robert Maclennan, Under-Secretary. None.

*

Mr. Giles Shaw. What is the cost to public funds of consumer protection enforcement officers?

Mr. Maclennan. It is estimated that the cost of local authorities' consumer protection enforcement work in England and Wales in 1976-77 will be approximately £18m.

*

Mr. Giles Shaw. What was the total number of prosecutions as a result of the work of consumer protection enforcement officers during 1975? How many of these prosecutions were successful?

Mr. Maclennan. Comparable information is not collected on a national basis. I understand that in England and Wales in the year ended March 31, 1976, local weights and measures authorities in the shire and metropolitan counties took 6,262 prosecutions, most of which were successful.

TRADE

Mr. Douglas Crawford (Scot. Nat. Perth and East Perthshire). Could the value of cross-border trade between Scotland and England be researched?

Mr. Michael Meacher, Under-Secretary. No. Worthwhile estimates would entail massive commercial and official costs which could not be justified.

*

Mr. Teddy Taylor (Con. Glasgow, Cathcart). What has been the total deficit in trade with the EEC and the rest of the world, respectively, since the U.K. became a member of the EEC?

Mr. Meacher. Estimates of the U.K.'s visible trade deficit by area, on a balance of payments basis, are only available up to the second quarter of this year. The U.K visible trade deficit with the EEC and the rest of the world in 1973, 1974, 1975 and the first half of 1976, taken together, was £6,541m. and £5,730m., respectively.

*

Rear-Adm. Morgan-Giles (Con. Winchester). Whether further representations could be made concerning payment of wages o[ut]standing to members of th[e] ship's company of the "Halyn Isle" since the time of the Co[...] Line crash?

Mr. Clinton Davis, Und[er] Secretary. This matter is befo[re] the Court in Singapore and I a[m] not in a position to interve[ne]. I understand, however, that so[li]citors have been instructed o[n] behalf of crew members to pu[r]sue their claims for wages.

INDUSTRY

Mr. Michael Marshall (C[on.] Arundel). Is the Secretary [of] State satisfied with the curre[nt] number of graduates seeki[ng] employment in industry a[nd] commerce?

Mr. Leslie Huckfield, Und[er] Secretary. As I have stated o[n] many occasions, if we are to su[c]ceed in reversing the relati[ve] decline in our national industri[al] performance we need more o[f] our ablest men and women t[o] seek careers in manufacturi[ng] industry.

TREASURY

Mr. George Park (Lab., Cove[n]try NE). Has the introduction [of] legislation been considered whi[ch] will give credit unions a leg[al] identity of their own?

Mr. Denzil Davies, Minister [of] State. Discussions are taki[ng] place with representative orga[ni]sations concerned with cre[dit] unions about the possibility [of] providing a more satisfacto[ry] legislative framework for cre[dit] unions within the legislati[on] proposed in the White Paper [on] the Licensing and Supervision [of] Deposit-Taking Institutions.

Mr. John Stanley (Con. To[n]bridge and Malling). What is t[he] latest estimate of the amount [of] public sector debt interest [in] the year 1976-77 on the ba[sis] of the existing presentation [of] debt interest? What percent[age] that amount represents of: [(a)] estimated public expenditu[re] and (b) GDP?

Mr. Joel Barnett, Chief Se[c]retary. Debt interest payme[nts] this year are estimated on t[he] new presentation at about £[...] or 3½ per cent. of public exp[en]diture and 1½ per cent. of GD[P]. On the presentation of de[bt] interest and public expenditu[re] in use at the time of the Bu[d]get, the estimate is £6,461m. [...] 10 per cent. of public expen[di]ture and about 5 per cent [of] GDP.

The Management Page

EDITED BY JOHN ELLIOTT

Ford Motor has made a success of international co-operation by bringing together experts from its world-wide divisions to create its new factory in Spain. **Terry Dodsworth** reports

The thousand-day Fiesta

EIGHT YEARS ago, when Ford of Europe was formed as an administrative umbrella to co-ordinate the activities of the British and German companies, there were many sceptics both inside and outside the organisation who believed that the idea would never work. The critics argued that the new structure was too loose and would provoke too many strains between the constituent national companies; and, indeed, several senior managers voted with their feet and left.

But in the last three years, in a gentle agrarian landscape of orange groves and onion fields just south of Valencia in Spain, Ford has made the dream of co-operation work. Here, at Almusafes, on rich agricultural soil first drained by the Arabs, a mixed team of German, British and American engineers has built a new factory to make a new car with a totally green workforce to a time scale which no one believed possible.

The car which will come off the assembly lines at Almusafes is the Fiesta, a vehicle on which Ford has staked well over £800m. along with the ambition of becoming one of the foremost—if not the leading—car manufacturer in Europe. The Fiesta presented a peculiar challenge to the Ford of Europe system. It is by far the most important car the group has launched since the organisation was created. The Almusafes project exposed it to two large and, for Ford, uncharacteristic, gambles: whether or not the fragile peace of post-Franco Spain would hold together to justify the investment, and whether Ford could really produce and sell the planned 280,000 cars on time.

Hanns Brand, the director of the Almusafes plant, believes that the project was helped by being sited on neutral ground and away from the British and German companies. At any rate, he claims that his mixed team has worked together very smoothly. "On this project Ford of Europe developed a real identity of its own," he says. "I have been on development plans all my life, but never before have I experienced one with so much help and assistance from all sides."

Key figure

Brand, a stocky, ebullient manufacturing specialist, who was one of the key figures in the establishment of Ford's last new assembly plant at Saarlouis in Germany six years ago, was the man mainly responsible for getting Almusafes off the ground. But as with all big Ford projects, a web of relationships and responsibilities stretched out from him which brought the rest of the Ford organisation into play. Ford relies essentially on management in depth, each man being backed by another, and each strategic decision being confirmed by a committee.

At the centre, helping Brand, there are some 280 engineering, manufacturing and supply experts seconded from the rest of Ford, a vivid reminder of the resources the company can call on without unduly straining its normal trading activities.

The work was co-ordinated through the German Ford of Europe headquarters in Cologne, which is responsible for the group's manufacturing activity. But in practice the mechanisms of control and organisation were far more complex. John McDougall, an American who has now become chairman of Ford of Europe, spent an enormous amount of time on the project: as manufacturing director the new plant fell into his bailiwick.

And Bill Bourke, another American of legendary energy, who has now relinquished the chairmanship of Ford of Europe to take on the group's North American activities, was a constant visitor.

Hanns Brand, 51, manufacturing director at Almusafes

The use of experience, the reliance on well established systems, and the avoidance of risk are all characteristic of the Ford management system. In Spain, when it came down to the actual business of constructing the plant, all these principles were brought into play. Manufacturing specialists were poured into the country from the rest of the Ford empire, creating a temporary housing problem. Ford's private fleet of aircraft set in motion what was to become a virtual shuttle service between Stansted airport, Cologne and Valencia. Nothing that could reasonably be tackled by rational analysis was left to chance.

This approach was particularly evident in the way Ford established its working relationship with the Spanish Government in an extraordinary deal which became known as the "Ford Decree." In effect, this deal altered the whole position of the motor car in the economy of Spain.

Previously, car manufacturers had to use 90 per cent. local components in their vehicles, and were restrained from importing foreign machine tools and equipment by huge tariff barriers. Ford negotiated a new 50 per cent. local components rule and a 95 per cent. reduction in the tariff; and at the same time tariffs on imported components were brought down to 5 per cent. This meant that it could bring in its major components—gearboxes and engine blocks—from its other European companies.

In designing the manufacturing systems in the plant, Ford's caution was even more pronounced. Almusafes is a magnificent example of a car factory, spaciously designed, pleasing to the eye, chimneyless. But the huge off-white halls make few concessions inside to experimental notions of production technology. Virtually everything that goes on inside the factory has been done in a similar fashion somewhere else inside Ford.

This is not to say that Ford turned its back on developments going on elsewhere in the car industry. McDougall and his team of manufacturing specialists visited Sweden to look at group working methods in factories, and Japan, to see the latest in robot welding. But in the end it has played safe with conventional systems for two reasons.

First, Ford is by no means sure about the new methods. On group technology, for instance, Brand believes that much more work must be done before it becomes generally acceptable; and he thinks that robot welding can be difficult to get right. "A robot never comes late to work in the morning, never quits early and never takes time off. But he gets difficult at times. If you buy a sophisticated robot these days you need doctors to keep him in shape," says Brand.

Quite apart from the technical arguments, however, Ford had a second reason for choosing conventional systems. At Almusafes it is faced with a long process of growing its own skilled labour from scratch; and it is easier to trust to well-tried methods in this situation than to experiment.

Automation

On the other hand, Ford has opted for the utmost automation in areas where the systems are proved: for example, in the engine plant, on work in which machine tools have reached a sophisticated and sound standard, Ford has installed one of the most automated lines in the world, capable of machining well over 400,000 engines a year with very little human intervention.

Because conventional factory methods were being used, key early recruits in the Almusafes workforce could be trained on similar production lines at the Ford factories in Britain and Germany. Their skills were then supplemented in two ways. First, by attracting a small number of emigré Spaniards back from the car production lines of northern Europe; and second, by using the experience of Fiesta production in Germany to help in Spain. The car was launched first at Saarlouis, where most of the initial bugs were taken out. When it came to Almusafes' turn in October, the senior members of the German launch team came to help.

Even at this early stage, Ford believes that it has had a good return on its investment in this largely untried workforce.

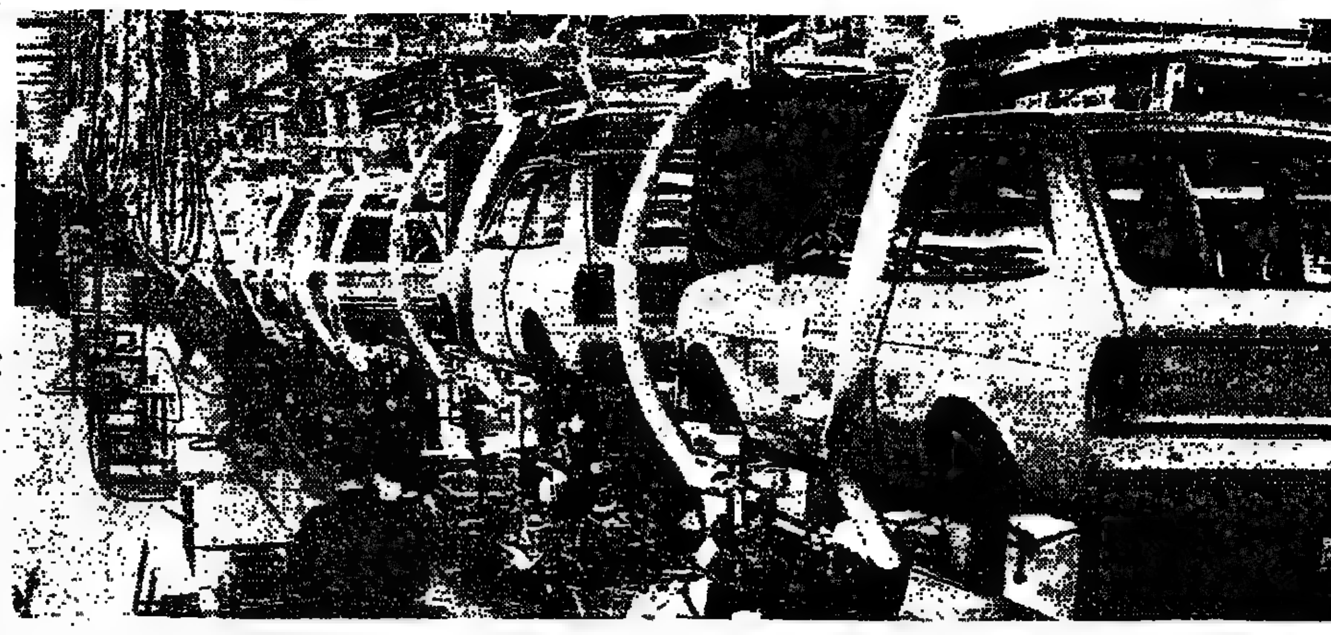
Good productivity is more essential than it might appear, because Spain is rapidly losing the benefit to Ford of low wage rates which was one of the reasons for developing there. Workers at Almusafes are paid an average of Pts.320,000 a year (£2,860), and this is expected to go up by 20 per cent. in the next year.

It is also clear that, if Ford achieves its objectives, it will have a highly productive plant at Almusafes. The idea is to build up to a total workforce of about 9,000 men (1,800 in the engine plant), producing 280,000 cars and 420,000 engines: and a ratio of 39 cars per man per year compares favourably with anything else in Ford of Europe, and anything that the Japanese can do.

Throughout the project Ford has hit snags. At the moment, for example, it is facing component shortages as it tries to gear up production, and is engaged in a tussle with local land interests about the disposal of its waste water (Brand is breeding fish and frogs in the emergency waste tanks to show that the water is pure); and over the three years it has had to mesh together a complicated patchwork of installations which were so tightly scheduled that the roofs and floors of the buildings went up piecemeal, parts being filled in as needed in order to accommodate the latest machine to arrive.

But an expansion of this order will clearly make a major impact on Spain. If it is a success, it will bring in substantial overseas earnings — Ford claims that it will produce 20bn. pesetas (about £180m.) a year net to the Spanish balance of payments, after imports and dividend remittances — and produce a competitive element in the local scene which will prepare the way for Spain's proposed entry to the Common Market.

Already the local companies know what they are facing. Almusafes was finished within the 1,000 days that were set at the beginning of the project and which no-one believed to be possible. "We have been on budget, on time and on our quality targets," says Brand. "None of the parameters that count on a thing like this have been missed."



Fiestas going down the assembly line at Almusafes in Spain. The overhead conveyors are typical of Ford plants throughout Europe.

Diary of the product development

Let's call it Fiesta — The autobiography of Ford's Project Bobcat, by Edouard Seidler, Patrick Stephens Ltd., £4.95

FORD OF EUROPE is at present going through a period of intense activity which promises to make it the strongest all-round force in the European motor industry. We are in one of those spells in which companies spawn ideas, and creative executives are carried along on a high wave of morale which helps overcome the problems and errors which might be critical for other organisations.

To write a book from inside a company in these circumstances presents a rare opportunity to the industrial journalist, and Edouard Seidler, in "Let's Call it Fiesta," has obliged with 240 pages that read as quickly as a thriller.

The book is based on a simple, but original, idea: to trace the development of the Fiesta, Ford's new small car, from conception to launch. Seidler's background makes him the ideal candidate for the subject. Editor of L'Equipe, the French sporting and motoring journal, he is a graduate in business studies, and has established a reputation as the leading motor industry journalist in Europe, as well as being an accomplished sports writer.

"Let's Call it Fiesta" is written with all the dash expected of someone accustomed to writing for the sports pages. This is an effective technique for Seidler's purpose: to produce a book in which the characters are presented boldly, and the issues facing the company dramatically underlined.

A project like the Fiesta, in which an enormous amount of money is being invested at considerable risk, exposes executives to intense pressure. Seidler shows how they reacted, how the extraordinarily complex Ford of Europe management system was brought into play, and how the system was bent at times for a particular purpose.

He also makes it clear that Ford's Detroit headquarters played a large part in the decision-making process on the Fiesta programme: indeed, the Detroit Board almost threw out the project at one stage, and kept a close monitoring eye on it throughout. It is impossible to read the book without being aware of the tremendous authority Henry Ford II wields in the organisation. It was he who ultimately steamrollered the Fiesta idea through the Board.

Features

The other outstanding features of the Ford management system—its thoroughness, the way in which the Ford of Europe Board dominates the national companies, its sheer aggressiveness — are all there. Thus far, Seidler has shown the company—warts and all.

But the danger of his style, almost as racy as the "faction" written by people like Arthur Hailey, is to gloss over some of the more complicated facts in the pursuit of dramatic presentation. The reader is left with a vivid impression of Ford: but none of the company's competitors will be much wiser about the financial and technical grounds for the Fiesta investment.

Of course, no motor company would willingly give details of its costings, of its analysis of comparative labour rates, of its estimate of political and social movements in particular countries, or its transfer pricing methods, and then allow these to be written up. But Seidler is irritatingly discreet on these matters, and one knows that he knows many of the answers because he was privy to a lot of secret material.

That apart, the book still emerges as a cut above most things that are written about the motor industry. Most people involved in the industry would enjoy it.

Terry Dodsworth

Business books list

Taxation in the Channel Islands and Isle of Man 1976, by Leslie J. P. Livens. Tolly. £2.25. This annual summary of taxation in these tax havens has been updated to include the provisions of all the relevant 1976 Finance Acts.

Business Information Sources, by Lorna Daniells. Baker Library, Harvard Business School. This annotated bibliography aims to be a comprehensive reference work for corporate executives and research staff all over the world.

Development Land Tax, by Robert W. Mass. Tolley, £4.25. An analysis of the tax with worked examples of the point of law, and the 1976 Act's inter-relationship with the Community Land Act is also fully explained.

Income Tax, by Henry Toch. Macdonald and Evans, £1.50. The ninth edition of this book, which is one of the M. and E. Handbook series, and which includes corporation tax and capital gains tax.

Computer by the Tail, by H. Donaldson, W. G. R. Stevens and M. I. H. Becket. George Allen and Unwin, £7.50. This book assumes no prior technical knowledge and is designed to bring a complex subject into a practical perspective for the practising manager.

THE FINANCIAL TIMES
(Established 1888)
Incorporating THE FINANCIAL NEWS
(Established 1884)

Head Office Editorial & Advertisement Offices:
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telephone Day & Night: 01-248 8000. Telegrams: Finantimo, London
Telex: 886341/2, 883897
For Share Index and Business News Summary Ring: 01-246 8026

Birmingham: George House, George Road 021-454 0922
Dublin: 8 Fitzwilliam Sq. 785321
Edinburgh: 37 George Street 031-226 4139; 031-226 4120 (editorial)
Leeds: Permanent House, The Headrow 0532 454969
Manchester: Queens House, Queen St. 061-834 9381
Paris: 36 Rue du Sentier 236.58.59 (editorial) 236.86.01 (business)
Bonn: Pressehaus 11/104 Heussallee 2-10 210039
Frankfurt: Frankfurt am Main, Im Sachsenlager 13 555730 (editorial) 554667 (business)
Brussels: 39 Rue Ducale 512-9037
Rome: Via della Mercede 55 678 3314
Stockholm: Rantamshedgen 7, 105 17 Stockholm. Tel: 50 60 88
New York: 75 Rockefeller Plaza, NY 10019 Editorial—212 541 4625 Business—212 489 8300
Washington: Second Floor, 1325 E. Street, N.W., Washington D.C. 202 347 8676
Jo'burg: 627 Union Centre East corner Pritchard and Harrison Streets. P.O. Box 2128
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Tel: 241 2920

TUESDAY, DECEMBER 7, 1976

Centre holds in Japan

JAPAN'S Liberal Democratic Party—*the alliance of wealthy* politicians, business and bureaucracy that has ruled the country for 21 years—has now lost its single-handed control of the lower house of the Diet even if it scrapes together a majority *with the help of* independents. The result of Sunday's poll is a far more damaging blow to its prestige than the most pessimistic of the Party elders predicted at the outset of the campaign. But it does not *signal the break-up of* Japan's post-war pattern of politics. The LDP has been steadily losing popularity as its rural supporters have shifted to the towns and changed their political allegiance. The party's setback this time has been sharper, both because voters *were demonstrating their* disgust at the corruption of politics that surfaced with the Lockheed scandal and because they were fighting under a Prime Minister who is opposed by two-thirds of his own party.

Bargaining

But the elections were also a rebuff for the LDP's most *outspoken opponents, the* Communists, who have lost over half their seats in the lower house. Neither they nor the other Left-wing parties have a hope of putting together an alternative Government. The most striking advances at the polls were made by the middle of the road groups such as the New Liberal Party — a splinter group of the LDP hostile to "money" politics—and the Komei (clean Government) party. Their success can be taken as a gauge of *Japan's desire to continue* under a conservative leadership *but one without the* uglier warts of the LDP. In that leadership the LDP—the party associated with postwar prosperity—will have the biggest say. The immediate issue is what shape it will take in the bargaining of the coming weeks.

Under the requirements of the constitution Mr. Miki now has to resign prior to the election of a new Prime Minster by the Diet before the end of the year. His sin in the eyes of the majority of the party is that he was installed as a caretaker Premier two years ago who has since split the party but has managed to stay in the saddle by the clever tactic of *promoting himself as the pro*tagonist of democracy and opponent of corruption. They would like him to bow gracefully from the stage to make way for the former deputy Premier Mr. Fukuda. Even if the end result is Mr. Miki's departure, it is unlikely to be *without a fight.*

Mr. Miki's strongest card is that he could further weaken the party by carrying off his own supporters into a new political group. Whether he is now allowed to play it and get away with this will depend on the robustness of the opposition *to him of the 71-year-old* Mr. Fukuda — or possibly some *younger man of the* LDP's choosing. But whatever the change of personalities at the top, the new Government is broadly going to follow the same domestic and foreign policies as its predecessor. It will be another five to 10 years at least before a social democrat party, as that term is understood in Europe, emerges in Japan.

Negotiations

For the West, the main significance of the election is that for some while it will be dealing with a weakened, if not divided, Japanese Government. That will make it more difficult to negotiate *issues* of world trade because the Japanese Gov*ernment will be more prey to* the lobbying of local interest groups, be they in shipbuilding or the car industry. It will equally mean a Government more reluctant to risk potentially inflationary measures to stimulate the domestic economy — measures which are sought by Japan's trading partners to boost imports into Japan and restrain Japan's export drive.

One of the first tasks before the new Government will be to decide on how fast to press for expansion through tax cuts, a change in the discount rate and greater public expenditure.

Import prices and sterling

THE WHOLESALE price indices for November are good in parts, bad in others. The good derives mainly from the recovery of the exchange rate, *which caused the average price* of sterling to be much the same in November as in the previous month. Thanks to this, the average price paid by manufacturing industry for raw materials and fuel—which had risen by 3½ per cent. in September and 4½ per cent. in *November*—rose by only 1½ per cent. There has been a slight further improvement in the exchange rate since the turn of the month, which will help the December figures, but the prospect for January, with various *international* price rises—including one for oil—on the way is a good deal more uncertain.

The overall rise of 1½ per cent. for the cost of industry's raw materials, however, conceals *a significant difference between* the costs of the food manufacturing industry and of the rest. The rest, with higher world prices for softwood and nickel partly offset by a drop in the price of imported steel, experienced a cost increase of only ½ per cent. The food manu*facturing* industries, however, had to pay more for a wide range of imported materials—wheat, coffee, cocoa, oils and oilseeds, dried fruit—and their costs rose during the month by 3½ per cent. Over the past three months their costs have risen by 11.7 per cent., despite the fact that they are still being heavily subsidised by the non-devaluation of the "green pound."

Inflation

Such a steep rise in costs must sooner or later be, at least in part, reflected in output prices and the cost-of-living index, whatever Mr. Hattersley does to encourage greater price competition, though the average output price of manufactured foodstuffs rose slightly less in *November* than in previous months. The output price of goods other than food rose by 2 per cent. in November against 1½ per cent. in October; and though the month-to-month movement is affected by judgments of the Price Commission (*in this case affecting cars*), the sharper rise may well be the result of preceding rises in input costs. The year-on-year increase in the output prices of all manufactures has risen again, from 16½ to 17½ per cent.

The annual rate of increase in the retail price index, therefore, is unlikely to come down much from the 13-14 per cent. level for at least some months to come and this, combined with wage restraint and fiscal drag, will mean another reduction in consumer purchasing power out of current earnings. The latest figures show that retail sales, in volume terms, fell back in October from the higher level of the third quarter (which was *itself below the average* for 1973 and 1974): on a three-months comparison, however, all the main categories of shops, except food shops, did slightly better business. Similarly, on a three-months comparison, there has recently been quite a sharp increase in consumer debt, not *only to finance houses (mainly* for cars) but even more so to retailers.

Food sales

If this trend continues and the consumer debt outstanding continues to rise, the savings ratio may fall from its unusually high level and the traditional argument — that consumers seek to maintain their purchasing power out of past savings — may regain some of its lost validity. But that remains to be seen. There is little reason in the immediate future to expect either a slower rate of inflation or a drop in unemployment. Meanwhile, it is worth noting that the volume of sales by food shops in *October was* 5 per cent. lower than the average for the third *quarter of 1974,* though part of this apparent fall is no doubt due to a change in the pattern of buying induced by higher prices.

THE JAPANESE ELECTIONS

The Liberal Democrats' full control of Japanese politics is over

The conservatives get a sharp shock

BY DOUGLAS RAMSEY and CHARLES SMITH in Tokyo

JAPAN'S NEWSPAPERS today brought out their favourite English word, *Shuko* to describe the result of *Sunday's general election in* which the Liberal Democratic *Party suffered what is generally* agreed to have been the worst electoral reverse in its history. The stock market echoed the papers with a 54 point fall in its first hour of trading. But, by lunchtime the dealers had *evidently* decided that things were not quite as bad as they *looked.* The market picked up sharply after its initial fall and by the end of the day was actually some 16 points up on its closing level of the day before the election.

The quixotic behaviour of the stock market and the dramatic newspaper headlines illustrate *a common Japanese* characteristic. The Japanese are prone to get very agitated indeed about problems which Western countries might accept quite calmly. But then, having got over their initial panic they show remarkable skill at adjusting themselves to new situations.

The reason why Sunday's *election results has induced the* typical Japanese State of *shuko* or shock is not that the ruling Liberal Democratic Party, a conservative grouping, will henceforth be unable to govern the country. Even with the 249 seats secured by official party candidates in the election the LDP will be easily the biggest group in the lower house *of the Diet leading* the next largest party, The Japan Socialists, by about 120 seats. By the time some 10 or 12 conservative independents have joined the LDP (as they are confidently expected to do over the next week or so) the party will have at least 260 seats, or four more than a bare numerical majority in the 511-seat house.

In European parliamentary politics this might be considered a perfectly reasonable basis on which to run a Government. In Japan the situation is different for two reasons. First, the process of Government depends heavily on the various *committees of the upper and* lower Houses of the Diet (parliament). The LDP can only control these committees effectively if it provides the chairman and a majority of ordinary members in each one of them—a requirement which calls for a minimum of 271 seats in the *lower house.* Second, the election result represents a pro*found setback for the LDP be*cause it is so different from what the party has been accustomed to up to now.

The LDP was founded 21 years ago as the result of a merger between the two major Japanese conservative parties of the day—the Liberals and the Democrats. It has won every election since that date. Most people, both inside and outside Japan, had come to assume that *the unbroken line of victories* would continue.

Winning elections in Japan is partly a matter of calculating how many candidates to put up in each of the multi-member electoral districts into which the country is divided. If a party puts up too many candidates in one constituency *it runs* the risk of splitting its own vote, whereas putting up too few candidates will have the effect of over-concentrating the vote. The opposition, which has traditionally been divided into four highly disparate parties, has never been able to play the numbers guessing game with the same success as the LDP, because rival opposition par*ties have not usually been able* to agree on the rational distribution of their candidates, between different constituencies.

The LDP brought this particular election-winning technique to a fine art in 1969 when it put up only 328 candidates for 491 seats in the lower house of the Diet and got 87 per cent. of them elected. The party tried to economise on candidates even more drastically in the election which has just ended. There were 320 LDP candidates in all *running* for election to the 511 seats in the enlarged lower house of the Diet. But the percentage of successes was far lower than in 1969, and the LDP share of the popular vote plunged by 6.5 per cent. to an all-time low—just under 42 per cent.

There is not much doubt about the reasons. First, the Lockheed affair did serious damage to the party's image, even though some of the more notorious figures involved scored handsome successes in their own carefully nurtured constituencies. Mr. Kakuei Tanaka, the former Prime Minister who was arrested last summer and charged with taking a bribe from Lockheed scored a massive 168,000 votes in his personal bailiwick in Niigata prefecture, even though he was running as an independent after *having been obliged* to resign from the LDP. Four *more of a total of five "grey"* politicians also retained their seats on Sunday, demonstrating that personal loyalties and individual connections still count more in some parts of Japan than do bribery scandals.

But while the famous names connected with the Lockheed *affair in most cases* got home safely, their less notorious colleagues in other constituencies fared badly. A member of Mr. Tanaka's LDP faction in the Tokyo suburb of Hachioji who had been elected three times to the Diet, dropped to fifth *place in his four-seat* constituency on Sunday. A brand new Liberal Democratic candidate in the same constituency came in first. The pattern was repeated elsewhere with results that promise to do serious damage to the strength of the Tanaka factions within the Liberal Democratic Party.

The second reason for the LDP's failure seems to have been its own disorganisation as *symbolised by the protracted* and by now thoroughly wearisome power struggle between the Prime Minister, Mr. Takeo Miki, and his arch-rival, the former Deputy Prime Minister, Mr. Takeo Fukuda. The third reason was probably the obvious and understandable fact that Japanese voters are not very well off these days and have little immediate reason to be grateful to the Government for the way it has managed the economy. Real wages have been running below the levels of a year ago, even though Japan appears embarrassingly well off when seen from the outside world. The final and perhaps *most important reason seems to* have been the fact that the Japanese electorate has quite simply begun to tire of the *status quo.*

The swing against the LDP itself was not the only sign on Sunday which pointed in this direction. The results scored by individual LDP candidates in the election appear to show a relatively higher success rate for young and unknown candi*dates, in contrast* with somewhat surprising setbacks to established politicians (including no fewer than three Ministers in the pre-election Cabinet).

The public preference for youth was expressed even more strikingly in the success of the New Liberal Club, a breakaway party which was formed last summer *when its leader,* 39-year-old Mr. Yohei Kono, defected from the Liberal Democratic Party. Mr. Kono took only five other Diet members with him and his move initially looked one of desperation. By the time Sunday's results were all in the New Liberal Club had picked *up 17 seats and established itself* as a potential force in Japanese politics.

The one trend which definitely cannot be detected in the results of Sunday's election is a swing to the left. The part farthest to the left of the political spectrum, the Japanese Com*munist* Party, did disastrously. It held 39 seats in the old Diet, put up over 100 candidates and got 17 of them elected, giving the once proud Communists exactly the same Diet strength as the previously insignificant New Liberal Club.

The Communist failure has been explained in various ways. The party's attempt to "democratise" itself last summer by removing Marxist terminology from its official platform, on the precedent set by the French and *Italian parties,* seems to have failed to impress the sceptical Japanese public. In any case the beneficiaries of the discomforture of the LDP were not the parties of the Left, but the somewhat ambivalent centre. This is occupied by the Komeito, a Buddhist-oriented party which preaches "clean government" and the Democratic Socialist Party, which is strongly anti-Communist but linked *to organised* labour.

The Komeito and the DSP (the *former* with 55 seats in the new Diet the latter with 29) *may not be able* to exercise a direct impact on the policies to be followed by a new Liberal Democratic Government. It is unlikely for example that the LDP will make any acknowledged borrowings from the social welfare programme published two weeks before the election by Komeito, and cited as a major factor in its electoral *success.* However the Liberal Democrats are likely to have to depend fairly heavily from now on the goodwill of Komeito or DSP members in the management of some of the more important committees, as well as on the forebearance of Mr. Kono and his 17 New Liberals. This dependence will give the three small centre parties considerable leverage on the *actions of* the Government, and may even produce a situation where an unacknowledged partnership exists between the Government and sections of the opposition.

The man who on the surface appears best qualified to run such a partnership from the Government side is Mr. Takeo Miki who has become known for his skill and patience (as well as on occasions his lack of *scruple*) in *striking* deals across the central divide between the Liberal Democrats and the "progressive parties." One of the reasons why Mr. Miki originally became Prime Minister two years ago was the fear of party elders in the LDP that if they did not select him for the top job he might actually decamp and form a new alliance with the right wing of the Opposition.

Mr. Miki has never lost his taste for wheeling and dealing with Socialist Diet members, but the chances that he will be able to indulge it now seem rather remote. He is the man who led the Liberal Democrats into what most of Japan regards as the crashing defeat of last Sunday's election, and it looks as if he will be forced to pay for having done so. Mr. Miki's one-time right-hand man in the party, Mr. Yasuhiro Nakasone, was quick to tell journalists this afternoon that the Prime Minister would have to go. Mr. Miki's rivals are hardly likely to disagree, although Mr. Fukuda himself seems to be biding his time before openly re-stating his *leadership ambitions.*

If things go according to plan *the LDP will probably sort* out its leadership problems before the end of the year. It will then have to start on the tricky process of managing a Diet in which it no longer has the automatic power to put through legislation on any subject of its choice. In a sense, however, the situation confronting the Government in the new Diet will be something *the Liberal Democrats* are accustomed to. For years *Japanese politics has* always worked by consensus and the LDP, even at its most powerful, was never able completely to ignore the wishes of the progressive minority in the Diet. What happens from now on is likely to be a variation on this theme but with a vastly greater amount of interaction between Government and opposition. To anyone *brought up on the principle* of two-party government the idea of Government and opposition working together behind the scenes while continuing to attack each other in public may seem novel if not positively dishonest. To the Japanese, it could be the best way of handling the next stage in the country's political development.

THE FINAL RESULT

	Seats Won	Seats At dissolution	Percentage of popular vote 1976	Percentage of popular vote 1972
Liberal Democratic Party	249	265	41.79	46.02
Japan Socialist Party	123	112	20.7	21.9
Japan Communist Party	17	39	10.37	10.49
Komeito	55	30	10.9	8.46
Democratic Socialist Party	29	19	6.28	6.98
New Liberal Club	17	5	4.18	—
Independent	21	4	5.71	3.88

The number of seats was increased to 511 for the election of December 5, 1976. In addition to the groups all candidates listed splinter groups, received 0.08 per cent. of the vote, compared with 0.27 in 1972, but returned no members.

A crowd gathered before the election scoreboard set up by a Tokyo newspaper watches the election shock building up.

MEN AND MATTERS

Leyland withdraws

British Leyland, caught up in the *tricky antagonisms* between the Arabs and Israel, has decided after all against rejoining the Anglo-Israel Chamber of Commerce. Two weeks ago, the chamber's president, Sir Marcus Sieff, announced that Leyland had accepted an invitation to rejoin after 18 *months' absence.*

The company has changed its *mind* at a time when its links with the Arab world have been growing closer. Earlier this year, Leyland was taken off the Arab Boycott list—and more recently, Jack Reardan, head of Leyland International's over*seas division,* joined the board of the Arab-British Chamber of Commerce. This body has only been in full operation since October 4, providing certification and documentation for companies trading with countries in the Arab League, which has 21 members who now include the Palestinians.

The return of Leyland to the Anglo-Israel chamber was seen by members there as a great morale-booster, though a chamber spokesman stressed yesterday: "Our rate of enlistment is far higher than our rate of resignations."

Sieff, who as chairman of Marks and Spencer yesterday received the Hambro Award as Businessman of the Year, said the chamber had yet to receive notification from Leyland about the change of mind, so he declined to comment. Other leading members of the chamber made clear, in the words of one of them, that they were "very surprised."

Leyland itself declared: "The manner and the content of the publicity which drew attention to the matter has caused us to review it. We have spent a great deal of time and effort on normalising our trade relationships with all countries in the Middle East and on reflection we consider that any factor which might lead to a disturbance of the business climate which has been established should be avoided."

It is clear that once the Leyland rejoining of the Anglo-Israel group was known, there was a great deal of antagonistic reaction among the company's Arab contacts. Since coming off the boycott list, Leyland International has started establishing a dealership net*work in the Middle East;* at the moment, most of the business with the Arab world mainly involves Leyland's special products side. A plan for the building of a Land Rover plant in Egypt has been shelved, though alternative projects there are still being examined. Leyland did operate a joint assembly plant in Israel, but its trade with that country is now restricted to the supply of spare parts.

Post problems

The Department of Industry's vexatious problem of finding members to sit on the Boards of State corporations is about to be thrown into stark relief at the Post Office. In the course of the next 12 months its *powers of political patronage* will be tested to the limit as all seven full-time members of the Board come to the end of their contracts—or resign prematurely.

Yesterday the Post Office announced that the Board member for technology, Professor James Merriman, *is to retire* at the end of the year. In his *other capacity as senior director* of development, Merriman is being replaced by John Stuart Whyte, 53, who is currently the PO's director of purchasing and supply.

Along with Merriman's retirement, two more gaps will open alarmingly on the Board as Alfred Singer, ex-Tesco, who became managing director of Giro and Data Processing, and Maurice Elderfield, member for finance and corporate planning, resign at the end of the month. Singer will take over as chairman of the Post Office Staff Superannuation Fund, and Elderfield is to join Ferranti.

Such problems for the Post Office are not new. Before Elderfield arrived for his truncated term the board *soldiered on for 15 months with*out a finance director and it operated with an acting chair*man for many months* before Sir William Ryland was confirmed in the job.

Ryland himself reaches the end of his contract next year. Of the three remaining full-time board members, Kenneth Young, the member for personnel and labour relations reaches the end of his contract this month and he is discussing his future with the DoI now. Sir Edward Fennessy, deputy chairman and managing director *of telecommunications,* and Alex Currall, managing director *of Posts, both come to the end* of their appointments in July.

The Department's task is hardly made easier by the fact that they lack any long-term job specification to offer sought-after candidates. In its seven-year life as a corporation, the Post Office has been subject to no less than 14 investigations or Government studies. The latest, the Carter Committee, is looking seriously at the idea of splitting the PO into two separate corporations. The unions are well on the way to gaining representation on the existing board, and at the same time there is still the NEDO report which calls for a whole new board structure involving two tiers with a senior supervisory council.

As for Merriman's successor on development, few of Whyte's predecessors in the post have had such recent experience at the top of the PO's commercial side. Despite his mainly technical background, he was appointed director of purchasing and supply 18 months ago, since when he has had to weather a series of arguments with the PO's private sector *telephone equipment suppliers.*

He also differs from the traditional PO breed in the attention he has paid to the need for nationalised industries to support the export efforts of their suppliers. It is the paucity of export co-operation on PO equipment which prompted the proposal in an unpublished NEDC report for a new Tele*communications* Export Corporation. This would take over responsibility for developing the next generation of PO telephone exchanges, and would market them abroad. Whyte's broad experience makes him well-placed to cope with the upheaval that this rearrangement would cause.

Say it with . . .

Sign on a garden supplies stall in a London street market: "The plant for to-day—the unpredictable *fuchsia.*"

Observer

FINANCIAL TIMES SURVEY

Tuesday, December 7, 1976

Offshore Exploration

The early reactions to Britain's new oil resources were first surprise, followed by excitement, and then a period of uncertainty. Now, although production is only on a comparatively small scale so far, the country is settling down to take its place among the world's oil producers.

An industry moving towards maturity

BRITAIN'S OFFSHORE oil industry is maturing fast. With seven fields on stream, North Sea production—and crude oil exports—have built up to significant levels. On the political front, many of the issues have become clearer this year following the formation of the State controlled British National Oil Corporation and the passage of the Energy Bill. And yet, on balance, it seems that time and experience have tended to confirm, rather than improve the North Sea's promise.

The most encouraging indicator of what might be achieved came from British Petroleum which, with a fanfare, announced that it had upgraded the production profile of its important Forties Field by 25 per cent. Providing there are no major snags the field's output should reach its peak of 500,000 barrels per day by the end of next year. Taking 1977 as a whole, Forties' production should average 450,000 b/d, equivalent of about a quarter of Britain's oil requirements and worth over £1bn. in foreign exchange at present prices.

The Prime Minister, Mr. James Callaghan, has estimated that overall crude production from the British sector of the North Sea next year will be between 700,000 b/d and 900,000 b/d: between one-third and one-half of the nation's requirement. Energy self-sufficiency in 1980 now seems assured; it could well be reached in 1979.

At the same time, the development of offshore gas has reached the stage where it is already meeting about 99 per cent. of U.K. demand. It is an achievement that should save £2.35bn. on the balance of payments this year and possibly £4bn. in 1980. Thanks to fine weather, the development work on the Anglo/Norwegian Frigg Field, which will greatly boost gas supplies, has progressed well. Consequently, British Gas has begun negotiations for the sale of Frigg gas to commercial customers much earlier than expected.

No doubt these were points raised by Mr. Callaghan in talks with the International Monetary Fund. He probably pointed out also that in 1980, when Britain will rank alongside Kuwait, Iraq, and Nigeria as an oil producer, the net balance of payments benefit of North Sea crude could be almost £6bn. The estimate was contained in an Economic Progress Report published by the Treasury and broadly supported by other recent studies. The Treasury also forecast that the benefit in 1985 could be as much as £16bn., although this figure is much more suspect.

Professor Colin Robinson and Dr. Jon Morgan, of Surrey University, warned a fortnight ago that careless management of the economy could erode these benefits. In a Trade Policy Research Centre report, which forecasts a balance of payments boost of between £9.1bn. and £18.2bn. in 1985, the two researchers maintain that "if the potential gains are to be realised, the quality of economic management in the British Government will have to be as good as it would need to be in the absence of North Sea oil."

Mr. Leslie Pincott, managing director of Esso Petroleum, gave much the same message in a November speech in which he claimed that the North Sea oil venture was a "mortgaged bonanza." Oil and gas production would reach a peak in the mid-1980s.

This production, he said, would provide the country with a useful breathing space in which to solve its fundamental problems. "Unless we improve our basic economic performance in manufacturing industry, we will still be facing economic collapse when the oil begins to run out."

The speech was timely for not only did it coincide with the visit of the IMF loan negotiators but it was also made at a time when Shell and Esso were locked into tortuous participation discussions with the Government and BNOC. The oil industry has been hammering the message publicly and privately that future North Sea oil production—so important for the country's economic revival—will largely depend on the attractiveness of the fiscal and political package.

Through new legislation and BNOC Mr. Anthony Wedgwood Benn, Energy Secretary, has built up a sizeable armoury of controls and regulations he can use at his discretion. To what extent he, or his successors, will exercise these options is unclear.

It can be argued that the legislation, as applied at present is not unduly onerous. After all some 133 companies submitted no less than 53 applications for 50 of the 71 blocks and part blocks offered under the fifth round of exploration licences—hardly a rebuff for Government policies. Companies should have an indication in the next week or so which blocks they are likely to be allocated later this year or early in 1977. Prior to the official allocations, however, the oil groups will have to negotiate licence terms with BNOC.

The Corporation is to become a 51 per cent. partner in all future licences (except in those where the State interest is represented by British Gas). It is a commitment which is likely to stretch the Corporation's management ability to the utmost, a prospect which is concerning many in the oil industry. Company executives are also worried about the way the State corporation will handle and use the mass of confidential information that will fall into its hand; how it will resolve possible conflicts of interest; and how it will use the large amount of crude which will come its way either by right or through option arrangements under participation agreements.

So far BNOC has shown no passion to become involved in the refining and marketing end of the oil business but this expansion could well come in the 1980s. In the meantime, BNOC staff will learn about downstream activities through an agreement with BP (again part of a participation package).

The industry's concern is real and not merely a political bargaining ploy. At present companies are not sure how much of North Sea oil will be used by BNOC, either in a role of crude oil trader or, ultimately, as an integrated oil company. They are not sure how much of Britain's oil will have to be refined in the U.K. and how much would be allowed out as crude exports (recent Government statements on this subject have failed to clear the air). And they are still uncertain about what depletion policies the Government might apply in the 1980s in order to conserve the precious resource. Given their way, the Scottish Nationalists would like to eke out production for 100 years—a proposal challenged recently by Dr. Mabon who argued that such a policy could kill North Sea development, an encouraging statement from the oil industry's point of view.

It would be glib, and wrong, to suggest that these political uncertainties are the main reason for the two-year hiatus in offshore production platform ordering. They are just one of the sets of influences.

After the first rush of activity, companies have been anxious to re-evaluate, both the economic and technical factors of field development. The two are inter-linked for modern production methods—like subsea well completions, floating production and storage systems, and tethered-legged platforms—can help to tame development costs. Shell/Esso's Brent Field, for example, is costing well over £2bn. to exploit; if the Pan Ocean group decides to go-ahead with the development of its promising Brae Field, the cost could well exceed £1bn.

There are encouraging signs that, for the first time since 1974, new fields are about to be declared commercial. The Continental Oil group has already initiated design work for a Murchison Field production platform, much to the relief of the order-hungry platform construction industry. However, the Government recently told the eight U.K. construction sites that it saw a "reasonable possibility" of only four of five orders being placed by mid-1978; clearly not enough to keep all the facilities fully occupied. This leaves one or two platform builders with a stark choice: diversifying and moving more into the export field or of closing.

Exploration drilling this year has given the platform industry, and others in the offshore supplies business, only modest encouragement. By the end of November 13 significant oil discoveries and two gas finds had been made by the industry against 24 discoveries in 1975. It is too early to judge the commercial potential of these finds—although one, by the Mesa group close to shore in the Moray Firth, looks promising. Certainly the Government has found no reason to improve last year's forecast that potential, recoverable oil in the designated areas of the U.K. Continental Shelf are in the range of 3bn. to 4bn. tonnes.

Although there is still a good deal of oil and gas to be located in the currently designated areas, in particular the northern North Sea, the country's main hope of improving on those 3bn. to 4bn. figures lies in deeper waters, to the North of the 62nd parallel and to the south west in the Western Approaches. Although the south western area has been included in the fifth licensing round, the Government has deliberately avoided moving too close to the disputed boundaries between the U.K., Ireland and France.

The boundary issue should be settled next summer. It could mark the beginning of a new and exciting chapter of development in Britain's offshore oil and gas venture.

Ray Dafter
Energy Correspondent

THE GOVERNMENT VIEW

By Dr. J. Dickson Mabon *Minister for Energy*

THE UNITED KINGDOM'S achievements so far in the North Sea are impressive and it is still early days. The Government confidently looks forward to even more discoveries of hydrocarbons and more commercial fields.

What the Government can rightly claim to have achieved is that it has established a legal and fiscal regime that shows fair promise of providing a solid foundation for future development. In partnership with private industry North Sea development has been so rapid that over the past 16 months seven commercial fields — Argyll, Auk, Forties, Montrose, Beryl, Brent and Piper—have been successfully brought into production.

A new industry has sprung up to make this possible. With it, many thousands of jobs have been created—particularly in Scotland—which was badly in need of them.

There can be no doubt that North Sea resources are of the greatest importance to this country's economy. Production of oil is now some 50,000 tonnes a day worth over £3m. a day, equivalent, as an annual rate to almost one quarter of the U.K.'s current consumption. And we remain on target to reach net self-sufficiency in oil by 1980. Oil production in that year would be worth £5.7bn. to £6.9bn. at to-day's prices, representing a vast saving which would otherwise have been spent on importing the equivalent amount of oil. Indeed, in 1977 oil production is estimated to contribute a net benefit of some £2bn. to the overall balance of payments, thus dramatically changing an overall deficit into a surplus.

There are substantial direct benefits too. Not least of these is the revenue which will accrue from taxation. On the basis of the current price of oil and the latest cost and production forecasts, the combined yield from royalties, PRT and Corporation Tax to the end of 1980 is expected to be in the region of £3.5bn.

The creation of the British National Oil Corporation (BNOC) was a significant step, as part of the Government's North Sea strategy, with regard to exploration and development. The Corporation will provide a much needed national capability in oil, but the emphasis will continue to be on partnership with the private sector. The skills and resources that we expect to see built up in BNOC will not replace those already committed to North Sea exploration and development by the oil industry. They will complement them and add to them.

As a result of equity stakes in commercial fields and the participation arrangements so far, BNOC will have at its disposal about 15m. tonnes of North Sea oil a year in the early 1980s. If, in addition, all royalty is taken as oil, the State will have access to about one-third of North Sea production.

Under the terms of the Fifth Round of licensing, BNOC will be a 51 per cent. partner in all licences which are granted. In this way the Government is both promoting and protecting the national interest.

The Fifth Licensing Round is smaller than any of the previous rounds, and is the beginning of a more orderly policy of licensing smaller amounts of territory at more frequent intervals. In this way the Government is attempting to achieve a more even flow of North Sea equipment orders and work. The Round has attracted tenders from 133 companies—either individually or in consortia.

There were, in all, 53 applications for 50 out of the 71 whole or part blocks on offer. This response clearly underlines the confidence of the oil industry in the Government's North Sea oil policy. It is interesting to note that there is a good spread of interest geographically and that companies are not interested solely in the most promising areas. Their response is not limited to any particular area.

From the very beginning of the development of the North Sea we have sought for U.K. industry to provide, on a competitive basis, as much as possible of the equipment and services required.

We have been concerned that British firms should be given a full and fair opportunity to compete for business, for which they have the requisite skills, in the domestic offshore market and to this end a Memorandum of Understanding and a Code of Practice were negotiated last year with the Offshore Operators' Association.

These policies do not, of course, absolve firms from the challenge of producing goods which are competitive in every respect, including quality and price. U.K. industry is meeting the challenge by its determination to secure an ever-increasing share of the home offshore market. Last year the value of orders placed in connection with exploration, development and production of oil and gas in the U.K. Sector was close to £1.2bn. of which U.K. industry obtained 52 per cent. At the same time British industry is increasingly taking advantage of its expertise gained in the North Sea by seizing the many opportunities presented by the rapidly expanding offshore markets throughout the world.

We are all aware that our oil and gas reserves will not last for ever. Our present policy is to build up produc- tion rapidly until we are [...] longer oil importers in [...] terms. As for the 1980s [...] 1990s, we are keeping our [...] tions open. The Governm[ent] has recognised, however, th[at] "in the long term" it would [be] wrong for the rate of deplet[ion] of an exhaustible natural [re-] source to be determin[ed] entirely by reference to c[om-] mercial criteria. Last ye[ar] therefore, the Government [took] appropriate powers under th[e] Petroleum and Submar[ine] Pipelines Act.

These powers will enable [us] to exercise control over [pro-] duction rates if and when [it] should prove necessary in th[e] light of the energy situation [to] do so. In accordance with th[e] Act, the limits to any chang[es] in production rates that ma[y] be ordered in the future [are] be laid down at the outset o[f] the development of each field: this is an important safeguard for companies investing lar[ge] sums of money offshore.

There is the prospect that o[il] and gas fields exist in deep[er] waters than are presently bein[g] exploited. To recover these hydrocarbon reserves requir[es] the application of the most ad- vanced engineering techniques. This is a new challenge.

But it is also an opportunity and industry must be en- couraged to develop th[e] techniques to meet it. In su[ch] a vital and high risk area sup- port from the Government ca[n] often be an important facto[r]. Therefore, last year the Gov- ernment established th[e] Offshore Energy Technology Board to advise on research and development directed bo[th] towards ensuring the safety and efficiency of offshore operations and towards im- proving the technological position of Britain's offshore industry. The Board's role [is] to identify the areas mo[st] likely to benefit from Govern- ment support for suitable re- search and development programmes and a paper se[t-] ting out the Board's futu[re] strategy has recently been pu[b-] lished. Government expend[i-] ture in this area is expected [to] amount to some £10m. in [the] current financial year. Fu[nds] are also available through [an] EEC scheme to promote r[e-] search and development [in] offshore technology.

North Sea strategy is bei[ng] planned on the basis that th[e] companies will continue to [re-] gard it as an attractive inve[st-] ment area, and while [we] recognise that the wealth fr[om] oil and gas will give a mass[ive] boost to the national econo[my] it will not solve all our pr[ob-] lems. Much will depend [on] how this wealth will be i[n-] vested. Clearly, the high[est] priority ought to be attach[ed] to revitalising the manufac[tur-] ing industry upon which th[e] prosperity of the nation in [the] long term, will depend.

Oil and devolution

THE DEVOLUTION debate which is about to break on Britain in earnest, is likely to bring to the surface the political arguments over North Sea oil that the Government has been anxious to stifle since the boom began.

Some 78 Labour MPs have put their names to a Commons motion demanding that there should be a referendum on devolution and independence for Scotland and, in the debate following the Queen's Speech the Prime Minister gave a strong indication that the Government would be prepared to grant one.

A referendum campaign, probably in the late spring or early summer next year, would give the Scottish National Party the opportunity to put on public display the whole panoply of its policies for an independent Scotland—including its very detailed oil policy.

Up to now the Government has studiously ignored claims that "it's Scotland's oil" and for the most part Ministers have been content to make their rebuttals fairly low key. The feeling has been that to enter into open arguments over the hypothetical question of whether a separate Scottish State would be entitled to the oilfields would create needless uncertainty.

This low key approach may not be able to hold during a referendum campaign. Some nationalists are already maintaining that if Scots are going to be asked to decide whether or not they want to stand alone then they are entitled to ask whether an independent Scotland would get the oil.

Short of independence the question remains academic. Neither the Labour nor Conservative plans for devolved legislative assemblies in Edinburgh envisage any change in the way oil policy for the U.K. is determined, or in the way that revenues are shared out. The Devolution Bill—the largest item in the Government's programme for the current session of Parliament—proposes that energy policy should be one of those key areas that remains with the Westminster Parliament and that the Assembly should be financed by block grant without any direct access to even a share of oil taxation or royalties.

Scottish National Party MPs are bound to raise their counter proposal that the Assembly should have full control over both policy and revenues during the course of the debate, but with little or no support from other parties they are unlikely to make much headway. Nevertheless, a referendum would put oil policy firmly on the agenda.

The Nationalists were very quick to realise the significance of oil finds to Scotland and in the early days of the industry the SNP research department was able to provide spokesmen with facts and analyses that often caught ministers and civil servants off balance.

Because of its importance to the whole of the Nationalist strategy for regenerating the Scottish economy, the oil policy has been carefully thought through. A few years ago all oil companies operating in the North Sea were sent copies of it.

As far as ownership of the oilfields is concerned, SNP policy is simple and explicit: on gaining independence the Scottish Government would lay claim to all U.K. territorial waters north of the parallel 55 degrees 55 minutes, the justification being that it is the line already used domestically in the Continental Shelf (Jurisdiction) Order 1968 and that it roughly corresponds with a geological feature on the sea bed known as the Northumbrian Arch.

Ownership

In practical effect this would give Scotland all of the North Sea oil fields and the Frigg gasfield. In practice if Scotland ever did gain her independence the argument over ownership would be much more complicated and could be expected to range on in the international courts for some years. Several different lines have been suggested by academics and politicians, and doubtless they would all be examined at length.

Professor D. I. MacKay and Mr. G. A. Mackay in their book "The Political Economy of North Sea Oil," for example, suggest that a more likely line would be determined by applying the principle of equidistance specified in the Geneva Convention. Depending on exactly how this criterion was interpreted, it would either again pass south of the most southerly field, or merely cut off three of the small fields, Argyll, Auk and Josephine, into the English sector.

Others have suggested lines which would give the Montrose Field to England and the English National Party, with characteristic eccentricity, managed to produce a line which would have also given the giant Forties Field to England, even though it is practically due east of the Moray Firth. Another complication is the position of the Shetland and Orkney Islands. The Shetlands at least have indicated that they might not be quite so keen as their mainland neighbours to vote for independence or devolution and if the choice ever came of being ruled from London or ruled from Edinburgh might be likely to choose either to remain part of the U.K. or to go it alone.

An independent Shetland would throw one of the most interesting constitutional spanners into the works, since the Islands would almost certainly lay claim to all the fields in the northern most part of the North Sea, including Ninian, Brent, Hutton, Tern, Thistle, Cormorant and Heather. But whatever the wrangling, the fact would remain that an independent Scotland would be able to control a substantial slice of the North Sea oil industry and—if ruled by the SNP—would have pretty clear ideas about what to do with its new found power.

Mr. Gordon Wilson, MP, the Party's oil spokesman, has said that all international agreements entered into by the U.K. Government would be honoured. Agreements made with oil companies would, however, not be so sacrosanct. All licences would be subject to review and, while the Party maintains that existing concessions would almost [cer-] tainly be renewed, they w[ould] presumably be subject to c[om-] panies agreeing to operate [a] revised depletion policy. [The] SNP would want an annual [pro-] duction target figure of [...] tons, as against the 110m. [...] needed to make the U.K. [self-] sufficient in oil. One of [the] effects of this policy would [be] considerably to lengthen the [life] of fields.

Production

Mr. Wilson has said that [the] SNP's extraction policy w[ould] extend the total life of fields [to] 88 years, as against 51 years [at] an annual production rate [of] 110m. tons and only 42 years [if] the production rate was to [be] stepped up to 180m. tons (wh[ich] the Nationalists believe the [...] might insist on).

These figures have, how[ever] been strongly challenged by [Dr.] J. Dickson Mabon, Minister [of] State at the Department [of] Energy, who has said [a] reduced depletion rate is n[ot a] practical proposition. A re[duc-] tion in production would le[ad to] the immediate loss of thous[ands] of jobs and oil companies w[ould] not be able to cover their op[erat-] ing and capital costs. [There] would therefore be no prof[its] tax, and no resulting rev[enue] for an independent Scotland.

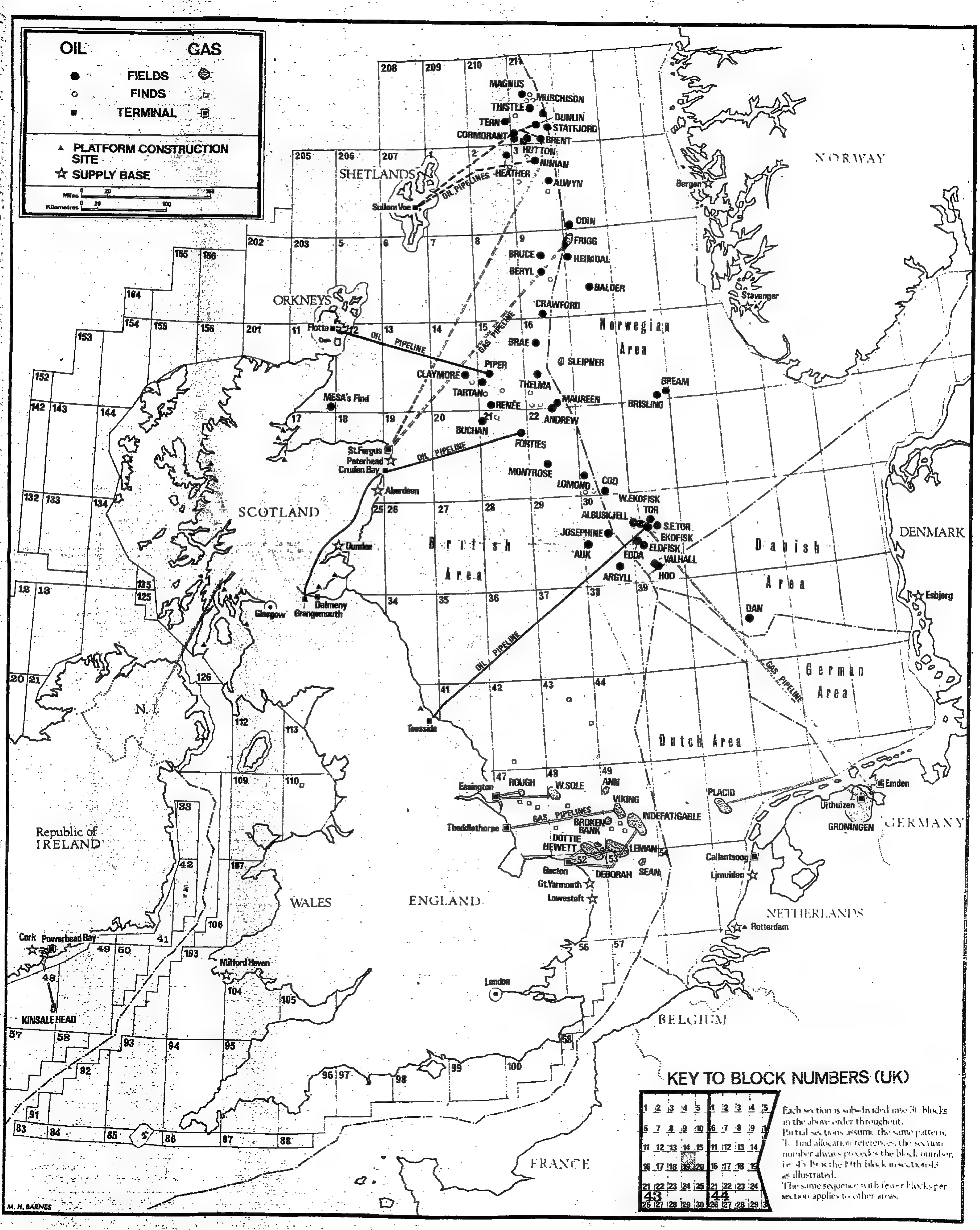
The SNP has had to m[odify] its policy because of the [...] of events in the North Sea [and] now accepts that there wi[ll be] a production rate of [...] 100m. tons by 1980. The [...] policy would be to bring d[own] the rate to between 50m. [and] 80m. tons by deferring dev[elop-] ment of some major fields [...] going into production.

The party foresees [...] revenues of £1.6bn. for e[very] 1m. barrels of daily produ[ction] which it says is "likely to b[e] much as the Scottish econ[omy] can comfortably absorb." [...] revenues above this level w[ould] have to be invested abro[ad,] recycled in England [to en-] courage trade or purchase s[hares] in English companies in S[cot-] land.

Ray Perr[...]
Scottish Correspo[ndent]

هكذا من الاصل

THE NORTH SEA 1976



Commercial finds are running out

IN COLD, statistical terms, the U.K. Continental Shelf has proved to be a rewarding area for oil explorers. The records show that in northern North Sea waters, the odds of an exploration well finding at least some hydrocarbons is less than four-to-one. Worldwide, the chances are nearer eight-to-one.

According to the U.K. Offshore Operators Association, more than 230 exploration wells have been drilled in the area since 1967. In 1975 these "wildcat" operations resulted in 24 discoveries of oil, virtually as many as in the previous five years of exploration. So far this year there have been 13 more oil discoveries, including one—by the Mesa group close to the Scottish coast—which seemed to take most of the industry by surprise.

But these figures flatter the North Sea. Many of the finds are so small that there is little hope of them being developed with present-day technology. Another group—the so-called "marginal" fields—will only be developed in the light of new commercial confidence among oil companies. That confidence will come only with fiscal incentives and an adaption of present-day production technology.

Breath

It is significant that in the past two years no new oil field has been declared to be commercial. After the first rush of development, oil companies have stopped to take a breath and assess the financial risk of field exploitation. Even fields which, on paper at least, could show an internal rate of return of 25 per cent. or more, have been held up while operating companies assess the impact of changing costs and technology.

Consequently, to date only 15 of the 62 finds can be regarded as commercial propositions although a few more should be added to the list next year. How many of this year's exploration successes reach the development stage is a moot point: as one might expect, experiences have been mixed.

On the face of it, Mesa's find on block 11/30 looks to be one of the most exciting prospects to emerge this year, although such a statement is dangerous at this stage in the appraisal programme. The reservoir was found in August and within a couple of months the Mesa group should have completed two appraisal wells which will have tested the size of the structure. Set against the normal drilling ventures, the timescale is almost unbelievable. Wells can take several months to drill; they can cost £3m. or more apiece whereas in the early 1970s they would have cost little more than £1m.

But Mesa's discovery is no ordinary find. It lies in the Moray Firth, just 12 nautical miles from land in a mere 150 feet of water. It has been suggested that even if the field had proven reserves of oil in the 20m. to 70m. barrels range a commercial case for development could be made. Recent industry estimates—albeit unofficial speculation—have put possible recoverable reserves at nearer 500m. barrels, however.

So far the 11/30 experience has been a pleasant surprise, catching even the most seasoned offshore groups like British Petroleum unawares. Other companies explored in the area, but without success. Maybe they did not drill deep enough. Mesa and its partners (they include the P & O shipping group) encountered oil-bearing Jurassic sands in the interval from 6,060 feet to 6,870 feet. The nearby dry holes failed to reach such depth.

Companies trying to find oil on the promising Brae trend have had to contend with the more normal North Sea surprise—that of disappointment. At one stage, very early in the exploration programme, some industry commentators were proclaiming Brae to be the biggest find in the North Sea (the Norwegian sector included). On current evidence, this is clearly not the case; it is now difficult to see Brae ever coming near the size of Statfjord.

But Brae could have potential recoverable reserves of about 900m. to 1bn. barrels, putting it on a par with Chevron's Ninian Field. What is not clear is how much associated oil there might be to the south on what is believed to be the same geological trend.

Phillips found oil on its block 16/17, some 25 miles to the south, but subsequent drilling has proved unsuccessful. Phillips is continuing to explore in block 16/17 in the hope of confirming its summer find, named Thelma. Between Brae and Thelma, the Hunt/Viking group has also been disappointed, failing to encounter commercial shows of oil with its first well on 16/12.

In spite of these setbacks, both Brae and Thelma look likely candidates for development. Operators might start ordering production facilities for these fields in 1978.

Earlier decisions might be expected on fields where appraisal work is far more advanced, however. For instance, Continental Oil has already awarded initial contracts for the development of the Anglo/Norwegian Murchison Field, a prospect with estimated recoverable reserves in the 300m.-350m.-barrels range. Texaco's Tartan Field, which is of similar size, could also get the go-ahead soon.

At the time of writing, the industry is waiting to hear the results of Transworld's development/appraisal test on the Buchan Field. Success here would automatically signal the start of development, probably via a floating submersible structure.

Total's Alwyn find, Shell/Esso's Cormorant Extension, and BP's Magnus Field are other candidates for early exploitation. All told there are around 15 fields which, at this stage, can be termed "probably commercial within the next few years."

Promising

It is quite likely that some of the finds made this year will eventually fall into this category. Apart from Mesa's discovery, one of the most promising exploration ventures this year has involved the Chevron Group on block 3/7. Last month the operator anounced it had made a second discovery on the block, lying some 90 miles north-east of the Shetlands. Chevron has said little about the commercial significance of the two wells but within the industry it is thought that the tests went some way to confirming a small to medium sized accumulation of oil, stretching across the boundary into Conoco's block 3/2.

A discovery in that region is particularly attractive because, almost certainly, the operators would be able to feed the oil through the nearby Ninian production system.

Looking at the North Sea, south of the 62nd parallel, it is possible to see some 14bn. barrels of oil being developed; around 8bn. barrels of recoverable reserves are being tapped by current commercial ventures; another 6bn. barrels have been located and look like being exploited. According to one industry executive between 6bn. and 9bn. barrels of commercial oil had still to be located, based on current seismic and geological information.

The Department of Energy's report on offshore oil and gas resources (the "Brown Book") states that total recoverable reserves from the currently designated areas on the U.K. Continental Shelf should be between 22bn. barrels and 33bn. barrels.

The new exploration emphasis will inevitably be influenced by the fifth round of licences, expected to be awarded in the next month or two. Judging by the pattern of oil industry applications, the most prospective—although highly faulted—areas lie in the Moray Firth. The fifth round blocks in quadrants 13 and 14, close to Occidental's Piper and Claymore fields and the Texaco finds, have been keenly bid for.

An interesting new exploration area offered by the Government lies in the middle of the English Channel, to the south of the Isle of Wight. It is believed that the blocks on offer lie on a promising structure although, situated as they are between two busy shipping lanes, they might give the operators the impression they are drilling in Piccadilly Circus.

Further to the West, the Government has tantalised the industry by offering blocks in the Western Approaches which appear to lie only on the edge of large sedimentary basins. Companies may well be tempted to obtain a foothold in that area, if only to gain more information about the geology. As regards the Western Approaches, the real fun will probably be deferred to later licensing rounds.

The oil companies may not have too long to wait for some of these "plums" to be put on offer. The Department of Energy has said that it plans to have smaller, but more frequent licensing rounds in future; the sixth round could well be announced next year, for instance. In this way it is hoped that future exploration and development programmes will be smoother. The move, if it succeeds, should be welcomed by drilling rig owners, platform builders and the offshore industry in general, for they have all suffered by marked changes in North Sea activity in the past couple of years.

Ray Dafter

U.K. COMMERCIAL OIL FIELDS

Field	Operating Group	Estimated recoverable reserves (m. barrels)	Estimated maximum production level ('000 b/d)	Production time-table
Argyll	Hamilton Bros.	70	30	Started June 1975
Auk	Shell/Esso	50	40	Started Feb. 1976
Beryl	Mobil	400	90-100	Started July 1976
Brent	Shell/Esso	2,000	580	Started Nov. 1976
Claymore	Occidental	410	140	Est. start—Apr.-May 1977
Cormorant	Shell/Esso	160	45	Est. start—late 1978-79
Dunlin	Shell/Esso	400	110	Est. start—late 1977
Forties	British Petroleum	1,800	500	Started Nov. 1975
Heather	Unocal	150	50	Est. start—mid-1978
Montrose	Amoco	180	30	Started July 1976
Ninian	Chevron	1,000	310	Est. start—mid-1978
Piper	Occidental	800	240	Started Nov. 1976
Statfjord (U.K.)	Conoco	438	90	Est. start—Nov. 1978
Thistle	British Natl. Oil Corp.	450	180	Est. start—Oct. 1977

Source: Department of Energy, Wood, Mackenzie and industry sources.

NEW NORTH SEA FINDS 1976

Operator	Well Number	Find	Operator	Well Number	Find
Ranger	23/27-3	Oil	Mobil	49/29-2	Gas
Phillips	49/11a-1	Gas	Texaco	14/20-6	Oil
British Petroleum	23/26a-1	Oil	Chevron	3/7-1	Oil
Phillips	15/27-1	Oil	Phillips	16/17-1	Oil
Texaco	14/20-5	Oil	Burmah	211/18-12	Oil
Amoco	211/27-6	Oil	Mesa	11/30-1	Oil
Conoco	9/19-2	Oil	Chevron/Conoco	3/7-2	Oil
Shell	211/16-2	Oil			

Source: Department of Energy and Industry reports.

Attractive market for U.K. suppliers

WITHIN THE past decade many sectors of British industry have reorganised themselves to meet the challenge of the offshore oil and gas venture. To-day U.K. companies account for between 50 and 55 per cent. of all the contracts placed by North Sea, Celtic Sea and Irish Sea oil operators, no mean achievement considering the well established competition from the U.S., Japan and the Continent. It is a relative success story often overlooked in the present-day economic and industrial gloom.

The Offshore Supplies Office of the Department of Energy believes that it is possible for U.K. industry to increase its share to something over 60 per cent. After that the climb will become very tough indeed for there are some industrial sectors where there is a notable absence of domestic expertise or capacity.

Nevertheless, a 60 per cent. (or even half) share of a £1bn. a year market is not to be sneezed at. Mr. Leslie Pincott, managing director of Esso Petroleum, stated a few weeks ago that between 1975 and 1980 expenditure in the U.K. sector of the North Sea would be averaging about £2m. annually. This would bring the total spent by 1980 to £12bn.

British industry is not being feather-bedded but it is receiving some help and encouragement to win a growing share of this market, both from the Government and from the customers, the offshore oil industry. U.K. offshore operators have agreed to give British manufacturers and service companies a "full and fair" opportunity to compete for contracts. On the face of it, if British companies demonstrate that they can provide the goods, in the prescribed time at the right price, the work should be theirs.

Attitude

This common-sense attitude is one officially recognised in other parts of the world where offshore oil and gas is being exploited; in Brazil, and Norway, for example. So far the Norwegians have been less successful than the British in giving domestic industry a boost. According to Mr. Carsten Schanche, managing director of the Aker group, Norwegian industry has so far delivered only 15 per cent. of the equipment for the Norwegian Shelf. The Federation of Norwegian Industries has set 40 per cent. as a possible target.

Oil companies are concerned that national ambitions could give rise to the bending of the "full and fair" opportunity rules. They are worried that with increasing state involvement in offshore activities, oil operators may come under increasing pressure to buy at home, even in the face of more attractive foreign competition. In Norway, for instance, the Department of Industry looks after both industrial development and oil policies. It has a strong agency in Statoil. Thus the offshore group developing the big Anglo / Norwegian Statfjord Field had very little alternative but to order the second production platform from Norway, bearing in mind the Norwegian platform constructors' proven expertise and spare capacity. It is estimated that 88 per cent. of Statfjord's reserves lie in the Norwegian sector, hence Norwegians have the biggest say in the way the field is developed.

It is significant that British National Oil Corporation, which has a stake of between 3.5 per cent. and 4 per cent. in the field, objected to the order going to Norway. The Corporation saw it as its duty to push the case for U.K. involvement. After all, it argued, Britain's platform builders also had a proven record of achievements and even greater spare capacity.

If British industry lost out on the Statfjord order, it is expected to win the contracts for another Anglo/Norwegian venture: Conoco's Murchison Field. Here the position is reversed: about 80 per cent. of the reserves lie in British waters. With BNOC and Statoil again partners there might be something of a nationalistic tug-of-war over contracts but the outcome seems assured. A British-built steel jacket will be built for the field development. As the November issue of Conoco News—dubbed the "Murchison Special"—proclaimed: "It is the first field to be given the go-ahead for nearly two years. It has been welcomed as a big boost for Britain's offshore oil programme."

Trend

In view of this trend towards increasing nationalism, Norwegian and U.K. companies are now talking about joint ventures so that each might win a share of the work in "foreign" waters. The possible construction of Condeep-type platforms in the U.K. is one example of this new spirit of co-operation.

But the "full and fair" opportunity code is only one of the measures introduced to give the U.K. offshore supplies industry a fillip. The OSO is empowered to give selective financial assistance to companies in the offshore sector. It has, for instance, agreed to contribute half the research and development costs of a new oil production system being developed by Seven Seas Engineering in collaboration with Sir Robert Alpine and Sons, Y-ARD, Ewbank and Partners, Roxburgh Dinardo and Partners and the National Engineering Laboratory.

Assistance is provided under the Industry Act 1972 which also embodies the Offshore Supplies Interest Relief Grant Scheme. This is intended to restore a degree of comparability between the credit terms available in relation to supplies of equipment to the U.K. Continental Shelf and the preferential credit rates available to foreign competitors covered by their national export credit arrangements.

Taking all the support measures together (and they include the state backing of the Portavadie and Hunterston platform fabricating docks), the Government's total potential commitment specifically in support of the U.K. offshore supplies industry was around £71m. by the end of last year.

The Department of Energy's helpful little "blue book"—Offshore 1975: An Analysis of Orders Placed—indicates how successful some industrial sectors have been in responding to the needs of offshore operators.

Take pipe coating as an example. In 1974 British companies won £23.3m. of the available £25.8m. worth of work; last year they swept the market—albeit a depressed one—by completing all the £1.4m. worth of available contracts.

U.K. process plant and equipment manufacturers gained 91 per cent. of the orders last year—£28.8m. of £31.7m.—an 11 per cent. improvement on the previous year. Still in the capital goods category, British companies accounted for 98 per cent. of the £8.2m. spent on safety equipment, an improvement of 3 per cent.

On the services side, British industry is particularly strong in cementing work (85 per cent.) and diving (69 per cent.). On the whole, however, service companies are finding it less easy than manufacturers to fight their way into offshore markets dominated by experienced foreign operators, particularly U.S. companies.

The "blue book" reveals two particular weak spots on the part of British industry: installation operations and pipe supplies. Last year U.K. companies did well to increase their share of installation jobs to 19 per cent. (£17.4m. of a £92m. total) as against just 6 per cent. in 1974. On the other hand, pipe manufacturers captured only 5 per cent. of the subsea business (£3m. of a £58m. market), in percentage terms a worse performance than in the previous year.

The pipe situation is largely a reflection of British Steel Corporation's inability to supply large-diameter pipeline to the high specification needed in North Sea transmission systems. Whereas British Steel has done well in other offshore sectors, such as casings, inland gas transmission systems and steel platforms, it has not yet committed itself to North Sea trunk-line work. I question whether it intends to.

BSC says it is considering modifying and expanding its pipe-making facilities, but this work will be dependent on reorganisation in other sectors of the Corporation. It can be argued that the likelihood of a £2bn. gas-gathering system being built in the North Sea could persuade BSC to undertake the work. On the other hand, the Corporation is aware that there is plenty of world-wide capacity for large-diameter, high-specification pipework. If it instals the necessary capacity, there is no guarantee that the order will be placed in Britain.

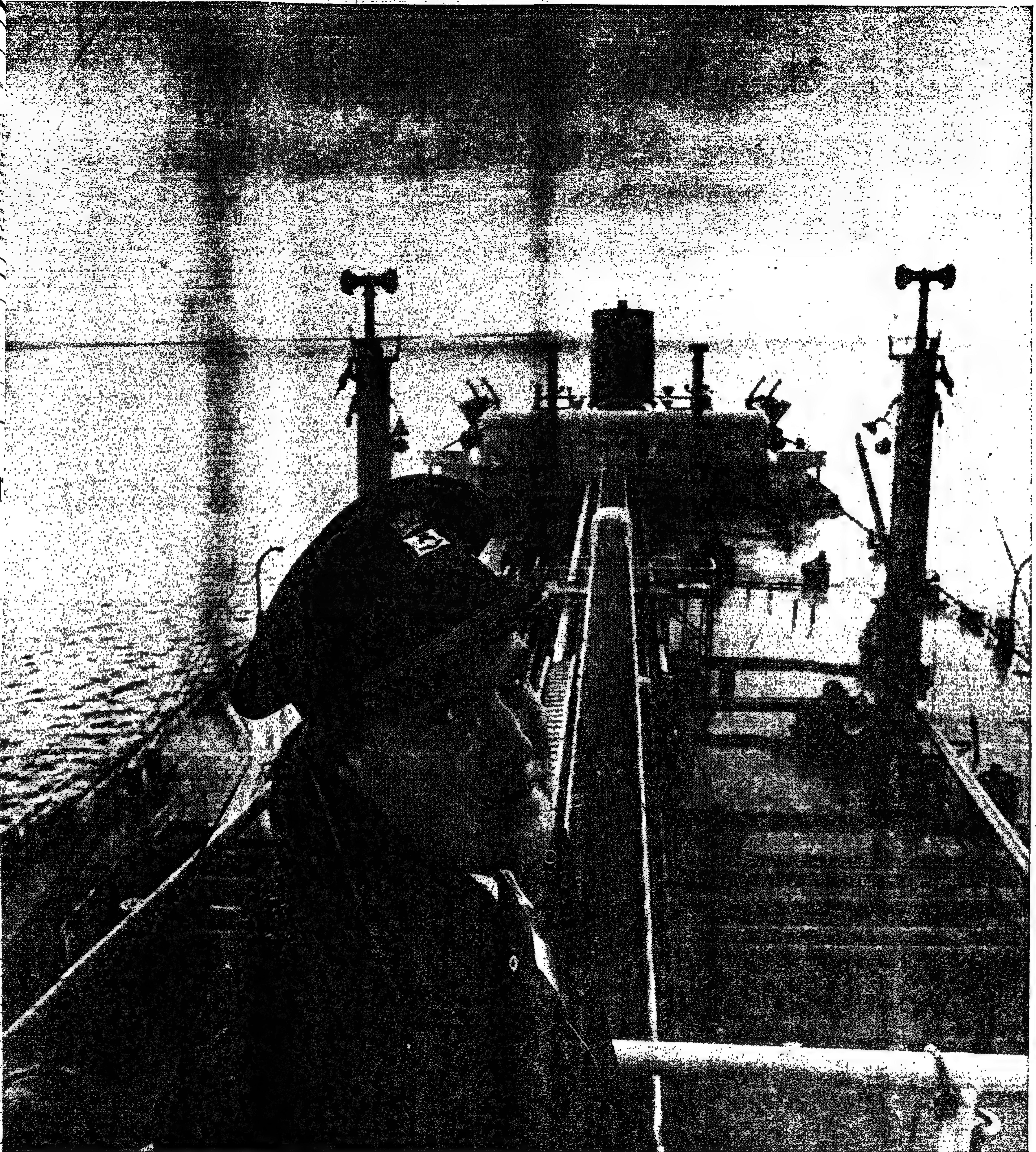
And even if BSC instals the capacity and wins the gas gathering contract there is no guarantee that there will be sufficient work to follow on.

Following the recent history in platform and module ordering, companies are being urged to diversify and to look outwards to potential exporting markets. Mr. Jim Wilks, chief executive of the British Overseas Trade Board, said three weeks ago: "We have acquired considerable knowledge of the technology of offshore oil and gas exploration and exploitation and we are now well equipped to turn our attention to the worldwide offshore opportunities in the Middle East, South East Asia, Brazil, the Soviet Union, Australasia and the Far East."

Essential

Even more recently, Dr. Mabon pointed out that there was unlikely to be enough work generated by the North Sea over the next 18 months to keep Britain's platform builders and module fabricators fully occupied. It was essential that they should find other outlets, he said. "What we don't want to see is a return to the days of 1974 when the U.K. did not have the capacity to build all the platforms on our Continental Shelf. Britain cannot afford the expense of importing large platforms." Therein lies one of the main reasons why it is important for U.K. industry to consolidate its position in the offshore oil and gas markets.

R.D.



Photograph: Gus Wylie

David Anderson: "at home" in the North Sea.

For most people, the North Sea is not the most inviting stretch of water in the world. But Captain Anderson grew up in the Shetland Islands. It's home to him. So is a tanker like the one you see him on here.

David Anderson has been on tankers since the end of the second World War. He's served as a Mobil master for more than 16 years. He has sailed all over the world; but the trips he's making now in his home waters are among the most important of his long seagoing career.

The captain's current assignment is to bring North Sea oil from the Beryl A platform, about 100 miles southeast of his own Shetland Islands, to British ports. These shipments from Beryl A began this autumn. When all the wells have been drilled and everything is humming along at peak rates, Captain Anderson's tankers will be delivering about 5% of Britain's oil needs. That's a sizeable amount. And together with all the other oil coming in from North Sea fields, it represents a very promising start on petroleum self-sufficiency for this country.

Some of the oil will come in by pipeline, but a good share will be carried on tankers like Captain Anderson's.

Whichever way it arrives, it will be welcome, we know. We're happy to play a part in North Sea production, and glad we have skilled professionals like David Anderson to bring the oil home.

Mobil®

BNOC makes its presence felt

COMMENTING ON Professor Odell's recent publication criticising the oil companies for pursuing commercial investment decisions which deprived the nation of oil that could be produced at the margin in fields, Mr. Wedgwood Benn, the Energy Secretary, is reported to have said that it showed the need for a national oil company like the British National Oil Corporation.

Quite so. All over the world, for better or for worse, nations have established State oil companies as a means of supervising and balancing the influence of the major oil companies. Some, like the Middle East producers, have done it largely for reasons of sharing in the production profits and waving the national flag on a crucial export resource. Others, like Italy, have created national oil companies with the intention of competing with and substituting for the majors. Others, like Norway, have established *companies to pursue* national interests in exploration and development and to work alongside the *majors in order to gain* experience.

In all of these countries, the form of the national oil companies has varied — but each of them have rested on the argument that the interests of the international oil companies *are not the same as that of the* nation and therefore some national element has to be added.

What is unique about the British National Oil Corporation is not so much that Britain should have decided to have an *oil company but that it should* have been set up to cover all these varying aspects at one and the same time without organic growth and that it should have been constructed in such an unusual fashion.

Forceful

Now nearly a year old and headed by the forceful personality of Lord Kearton, it has taken over the direct interests of the National Coal Board and Burmah, thereby gaining at least the nucleus of an experienced staff. It has been the vehicle of participation as negotiated with BP, Occidental and an increasingly large number of companies including, most recently, Unocal. An agreement in principle with BP gives it an opening for gaining experience in refining and marketing (although David Steel still has some cards to play on this no doubt).

It has been made the chosen vehicle of compulsory State participation in all licences in new rounds with the right to operate on its own. It has been promised a major share in planning for a possible gas-gathering pipeline network in the North Sea. It is being funded from both royalties and an effective £900m. borrowing limit.

Its development has not been easy. Companies have been and still are—intensely suspicious of *its ambitions downstream.* Progress on participation has been slow and painful and is only now beginning to get off the ground. Its efforts to recruit top-class oil-experienced executive staff can hardly be called an unmitigated success. Its public relations has been poor *if not abysmal partly because* it seems to take the strange view that, as a public corporation, it has neither need to explain itself to the public nor to be answerable to it.

Yet, for all that, it is here to stay if only in the sense that the Conservatives would almost certainly retain it and the growth it has achieved so far *would seem irreversible* in practice. Partly through the accident of the Burmah debacle, it *has managed to develop a con*siderable portfolio. Besides its sizeable interests in the Conoco *group's interests in Dunlin,* Statfjord, Hutton, Murchison and the Viking gas field, it has a 20 per cent. interest in the Brae field through an NCB option, a major interest in the Ninian and Thistle Fields, already under development through its Burmah *take-over* and an interest in the on-shore facilities on the Shetlands. *Coupled with the participation* agreements already settled in principle and royalty oil, it already has a potential share of around a quarter, or over 25m. tons a year of all output, by the early 1980s. Provided that participation agreements can also be reached with Shell/Exxon and other major companies, it could have half the North Sea output, or 50m. tons or more. The BP deal gives it an entree into refining and marketing. So that by any standards it is now firmly destined to be a substantial oil force by early in the next decade.

Having said this, however, in a curious way there remains very little else to say that is positive about the BNOC. The rest remains almost entirely unanswered questions. What it will do with all its oil options gained through participation, how far it will operate in the North Sea on its own and how far it will enter marketing on its own account; to what extent it will be a tool of Government *policy and to what extent it will* act as an independent commercial concern; how far it will go *abroad—all these remain con*fused points, not least because there is little agreement within *Government or within BNOC* itself as to what the answers should be.

From developments so far, one can make at least a guess at Lord Kearton's views. His early switch in participation tactics from Mr. Harold Lever's concepts of an essentially bookkeeping operation to satisfy political commitment to a policy *of seeking options on oil pro*ductions itself and his emphasis on downstream participation *both in the BP negotiations* and in the more recent talks with Shell and Exxon suggest that *what he is seeking is the rapid* development of BNOC on the back of the oil companies to a position of potential supply strength and considerable experience without risk or excessive commercial commitment. This would seem to fit in with *his ambitions to make BNOC a* powerful, integrated force on the lines, and in conjunction with the *oil majors* and his known view that what the country requires is the access to oil during a crisis on the basis of the 1973-74 experience. It would also seem to fit in with the commercial experience of an ex-head of Courtaulds who made his reputation by building up an alternative force to ICI through a shrewd use of *Government assistance*, a continuous plea for Government protection and a voracious gulping down of small, independent competition.

At a time when oil is in surplus, Government funds are limited and when building a company from scratch in competition with the majors would be a risky as well as costly *business*, such a policy would make sense. Whether it is what the politicians or the civil servants of the Energy Department and Treasury want and whether it is in the best interests of the nation is not quite so obvious. The curious structure of the BNOC—*which is almost unique* among State corporations in having civil servants on its board and in *having its policy* freedom strictly circumscribed by the rights of Ministers to intervene—suggests that officials would prefer to see it as a much more direct tool of policy and that they do not wish it to follow the independent ambitions which Statoil for instance has displayed in Norway.

Already, the Government has come into *potential conflict with* BNOC at least twice. Once was over the purchase price for Burmah, when the Government paid more than Kearton thought necessary. The second occasion was the reversal of the Government's original decision to promote a carried interest provision to allow BNOC to pay for development costs out of *production* rather than paying as the costs were incurred. On both occasions, the Government's *fear of upsetting* the industry or the City seemed, at least on the surface, to run counter to BNOC's commercial aims.

Worries

The same problems of unsettled definition of aims could also be said of the financing arrangements, where the Government seems to have been *determined to keep BNOC on* a tight financial rein. The National Oil Account structure used may be understandable in terms of political and Treasury worries over the financing, but it would seem almost certainly unworkable in practice or at any rate unduly filled with potential administrative difficulties, particularly as BNOC is *unlikely to move into profit until* 1980 at the earliest.

But the greatest uncertainty of all surrounding the BNOC is just what it is there for. Of the need for a national oil company—if only to reassure the public—there can be little doubt. But *if the need—as Pro*fessor Odell's criticisms in a sense suggest—is for a company that can take the risks and carry out the kind of investment which the international companies, for reasons of their corporate or financial interests, would not do, then the BNOC would hardly seem best structured to do this. It has neither the staff nor the attitudes at the top in such men as Lord Kearton to do this. Indeed, in many ways, their approach seems the opposite.

If—on the other hand—the need is seen as getting a "handle" on the oil companies in terms of information and control, it is difficult to see what it can do which a semi-autonomous *agency of the State* couldn't. As a sop to Scottish nationalism it must be regarded as a *joke even to those* who visit it as they wend their weary way up to its Glasgow headquarters without *enthusiasm* or belief (the presence of Ian Clark could change this, of course). As a means of ensuring access to oil, it would seem to have quite sufficient reserves as it is without compulsory participation in all existing fields. In a real emergency, the IEA agreement would require Britain's sharing of its oil in any case. And the underlying political attitude—which certainly exists—of developing BNOC to protect "British" oil from the scheming Continentals in the EEC til becomes a country *demanding their assistance* in refinancing the sterling balances, in carrying the load of regional policy *and in maintain*ing the green pound at present rates.

State participation in fields and in some refining and marketing could be regarded as necessary to keep an eye on and influence the companies over exports and investment by less direct means than open legislation. But then one cannot say, as the Government does, on the one hand that participation poses no threat to the oil industry and then say *with the* other that the object is to surreptitiously force companies to *buy British* supplies and make investment which they might otherwise not do. Nor does such a philosophy seem to fit happily with Lord Kearton's desire to share the same bed as the majors rather than set up an alternative establishment.

These are the contradictions and they remain unresolved. Lord Kearton knows broadly *what he wants, which is* a presence in the 1980s of a powerful integrated oil company. The politicians seem more interested in slogans and appearances, "national interest" and all that. The civil service remains itself indecisive and playing for time. BNOC will work. It will certainly develop. But, in view of the quality of *debate and explanation* surrounding it to date, it could hardly be described as an auspicious start.

Adrian Hamilton

Drilling surprises

THE LATEST season of drilling has not been without its excitements, as the Government has been all too eager to acclaim. There has been a succession of new discoveries by groups such as Chevron, Burmah (BNOC), Shell and others. There have been real surprises such as the recent Mesa find in the Moray Firth. There has been a new round of licences put on offer, containing for the first time blocks in undrilled areas such as the Channel and Western Approaches. There has been much publicity about the proving up of existing finds such as Brae.

Whether all this has changed the overall picture of prospects and total reserves for the U.K. off-shore is a different matter. In terms of the number of wells reporting oil, the position has been far from discouraging. In terms of reserve additions, however, the picture would appear to be one of a gradual decline from the very rapid build-up of new reserves seen two and three years ago. Many of this year's wells have been on previous discoveries, such as Brae, Magnus, Buchan Murchison and on the *Texaco discoveries around the* Piper areas.

A number of the potentially-commercial new discoveries made such as Shell's on 210/16, Chevron's discovery near Ninian and Burmah's near Thistle have been on the smaller prospects in the now well-established Jurassic horizons beneath the inconformity of the Viking Graben off the Shetlands, rather than on prospects which open up new "plays" as such. This kind of discovery both east of the Shetlands, in the Piper area and in the complex basins around Beryl can be expected as companies move from the larger structures to the smaller ones. But it doesn't open up entirely new doors.

What this year's drilling has, on the other hand, proved is that this stage of "maturing" exploration in the North Sea can still swing some surprises and can open up interesting, if complex, new plays. The biggest "turn-up-for-the-books" is undoubtedly the Mesa discovery on block 11/30 in the Moray Firth, only 12 miles from the coast and in only 150 feet of water. To say that it has caused some red faces in the industry, particularly at BP, would be to put it mildly. Although non-commercial oil shows were found in the first well drilled in the Moray Firth, a succession of failures since then had induced the industry to virtually dismiss this area and to relinquish many of their licences as having insufficient depth of *burial* to promote large-volume generation and as having

CONTINUED ON NEXT PAGE

Fifth round contest

[TH]E FIFTH round of licences, [cu]rrently being awarded by the [Go]vernment, marks the begin[ni]ng of a new era in offshore [ex]ploration. It is the first round [to] be offered since the 1973-74 [en]ergy crisis emphasised the [im]portance of North Sea oil to [Br]itain; the first to be awarded [in] the light of U.K. oil produc[tin]g experience; the first to em[bo]dy the Labour Government's [pr]inciples from the outset.

The round is much smaller [th]an previous ones: a deliberate [m]ove by Mr. Anthony Wedg[wo]od Benn, Energy Secretary. [H]e wanted to initiate a series [of] modest but more frequent [lic]ensing rounds in order to en[co]urage a more even spread of [ac]tivity. Consequently only 71 [bl]ocks and part blocks were put [on] offer as against 1,102 blocks [in] the second (1965) round, 960 [bl]ocks in the first, and 421 in [th]e fourth, allocated some five [ye]ars ago.

Although the offshore indus[tr]y felt that there were only [ab]out a dozen of the 71 blocks [co]ntaining really promising [st]ructures the fifth round was made attractive enough to encourage 133 companies to submit 53 applications for 50 of the blocks. In discussions with the Department of Energy some companies have offered to explore in a few blocks not favoured by applications providing, I understand, some of the more enticing structures were included in the package of licences.

The industry's response to the fifth round was better than many had expected, in view of the State participation proposals embodied in the licensing conditions. But the Government cleared one of the big obstacles when it agreed that British National Oil Corporation, as a 51 per cent. partner in virtually all the licences, should pay its way during the development phase. Originally it was planned that BNOC could opt to have a carried interest in development work, merely paying back its company partners (with interest) its share of the expenditure once oil had started to flow. From the Treasury's point of view, it was an attractive plan—BNOC could sidestep the need for heavy expenditure and public borrowing by repaying its share of the costs out of field revenue. The oil companies and bankers complained that this was unfair and warned that the practice would inhibit offshore development.

Wrangle

In the end, after a good deal of Cabinet wrangle, one feels, the Government gave way. Immediately companies increased the number of applications. Curiously, the Government is also insisting that BNOC pays its full share of exploration costs (except for those licences where the State's presence will be met by British Gas Corporation's involvement). It can be argued that this is needless public expenditure for the oil industry has shown in the North Sea and elsewhere it is willing to carry the full cost of exploration. As it is, BNOC (or the taxpayer) faces a bill of perhaps £150m. as a result of fifth round exploration work over the next few years.

Other conditions embodied in fifth round agreements include an undertaking by operators that they will recognise the need for trade union representatives to obtain access to employees on offshore installations—the first step towards unionisation—and an agreement to give British companies a fair and full opportunity to compete for offshore contracts.

Successful applicants should hear within a matter of days (if they have not already heard) which blocks are being allocated to whom. Some groups have been asked if they will share concessions, particularly where structures spread into more than one block. This can be interpreted as a sign that the Government is trying to keep as many groups as possible happy and interested in the offshore venture.

Most of the interest has centred on the Moray Firth area where Mesa's recent find may have whetted some appetites, the English Channel and Western Approaches although here the fifth round block only skirt the edges of the most promising structures.

The Government is waiting for the boundary disputes with France and Ireland to be settled next year before deciding to extend the Western Approaches concessions. It is quite likely that this area, along with more blocks in the Moray Firth, will be used to attract most interest in the sixth round, the details of which could well be announced on the second half of next year.

Applicants

Once fifth round applicants hear of the allocation proposals they will be expected to start negotiating operating agreements with BNOC. If this phase runs smoothly the Government should be in a position to publicly announce the new licensees in late December or early January. It is now becoming likely that the awards may be made in two tranches. This will largely depend on how well the Government's participation negotiations proceed.

In the past couple of months it has emerged that the Energy Department is anxious to clear up the participation issue early in the New Year. By then it wants to see all the offshore operators either having signed heads of agreement for participation in existing finds or producing evidence to show that they are willing to sign. Furthermore, in recent letters to fifth round applicants Mr. Benn has hinted that he also expects companies to concede state participation in fields—as yet unproven—that might be exploited under past licence rounds.

To these ends, Mr. Benn is using the fifth round as a much more blatant negotiating ploy than oil companies might have expected earlier this year. The idea that participation is "voluntary" seems to have been quietly dropped, particularly for those seeking new licences. Hence the recent presence in London of Mr. Clifton Garvin, chairman of Exxon Corporation. He joined the negotiating table trying to thrash out a Government-Shell-Esso-BNOC agreement although earlier in the year he proclaimed that as participation was regarded as voluntary, Esso was choosing not to volunteer.

Mr. Benn, who has taken over as the Government's chief participation negotiator from Mr. Harold Lever, Chancellor of the Duchy of Lancaster, feels that the new licence round provides safe enough ground on which to demand BNOC presence in all offshore operations.

As he said when the applications were announced, the response was "a most encouraging indication of world interest in British offshore oil and gas resources and a clear indication of the confidence that exists in the Government's oil policy." Whether the statement was made with tongue in cheek has not been revealed.

The industry shows signs of becoming increasingly uneasy about the "creeping" nature of government controls. The imposition of the Petroleum Revenue Tax and the regulations implied in the Petroleum and Submarine Pipelines Bill were taken as big steps in the advance towards the Government's declared North Sea policies. Since then little political heat has been generated, partly—one suspects—because the participation proposals have been taken so slowly and quietly (secrecy surrounds all participation talks). Mr. Benn may not be taking big steps but he is moving.

The offshore industry has the ultimate answer to what it describes as "creeping nationalisation," however. It can opt out of the North Sea. But such a move would be made only in desperation. After all, the U.K. Continental Shelf is one of the most attractive exploration areas in the world, and the Government knows it.

The response to the fifth round shows that recent legislation and licence conditions are not undue deterrents to continued exploration and development. Whether the sixth round proves to be equally attractive remains to be seen. But with the Government's new policy of frequent allocations, we may not have to wait too long to find out.

R.D.

FIFTH ROUND LICENCE ALLOCATIONS

Blocks offered:

3/9*,	3/10*,	3/14*,	3/24*,	3/25*,	9/9*,	9/10*,
9/14*,	9/15*,	13/13,	13/14,	13/15,	13/18,	13/19,
13/20,	13/27,	14/11,	14/12,	14/13,	14/16,	14/17,
14/18,	19/2,	20/3,	20/6,	20/7,	20/8,	20/9,
23/16*,	23/26*,	30/17*,	30/19*,	83/22,	83/23,	83/24,
83/25,	83/27,	84/16,	84/17,	84/18,	86/13,	86/14,
86/15,	87/6*,	87/7*,	87/8,	87/9,	87/10,	87/11,
87/12,	97/18*,	98/11*,	98/22,	98/23,	106/10,	106/15,
106/20,	106/29,	107/10*,	107/11,	107/15*,	107/16,	107/21,
110/1,	110/9,	132/10,	132/15,	133/6,	133/11,	210/10,
211/6.						

* Part blocks.

[D]rilling

[CO]NTINUED FROM PREVIOUS PAGE

[struct]ures that were too broken up [to] contain much oil. Mesa's find, [ap]parently in middle to lower [J]urassic, has shown that oil does [ex]ist in quantity and, in this [ca]se at least, has been trapped [in] a good-sized structure with [th]e right closure. The uncertain[ti]es as to generation and migra[ti]on remain and there is still the [p]roblem of finding other struc[tu]res as attractive in a region [s]o chopped up. But the dis[co]very has undoubtedly caused [th]e industry to revise their view [o]f the area and to hope that [fu]rther finds might be made [(u]nfortunately the open acre[a]ge around is not on offer at [p]resent).

Another interesting and [p]otentially important new play [h]as been that along the buried [c]liff where the Brae oil field [a]nd, more recently, Phillips' [T]helma discovery lie to the [s]outh. The results of a series of wells drilled along this prospect [h]ave been varied. As far as [c]an be made out, the oil does not lie as might be expected [r]ight up against the cliff but a [l]ittle way back from it, at con[s]iderable depths where the [q]uality of sands is not always [g]ood. The results of some of [t]he wells, such as the third on [B]rae and the first on Thelma, [h]ave been surprisingly good [w]ith large oil columns. The re[s]ults of others, such as the [f]ourth on Brae and the Hunt [w]ell on 16/12, were not so good. [T]he commercial potential is still [th]ere, but so is the fear that the [o]il may be discovered in a [s]eries of pools along the cliff [(]the Fladen Ground Spur), [r]ather than in elongated fields [—]raising considerable problems [a]s to production costs.

A third development of ex[p]loration interest in the North [S]ea must be the succession of [g]as and gas/condensate dis[co]veries along the lower halfs [o]f sectors 14 and 15 by Phillips [(t]he Renee discovery), Texaco [a]nd Conoco. Little has been re[le]ased about the finds and the [d]iscovery of condensate clearly [ra]ises commercial problems all [o]f its own. But reports in the [in]dustry suggest that the finds [h]ave been made in the lower [C]retaceous horizon in an area [w]here the source rocks lie at [co]nsiderable depths. The [C]retaceous layer present in the [a]rea is not vast but, if the re[p]orts are right, the finds [o]bviously raise interesting new [p]rospects.

Added to these three "plays" [i]s the fascination that must still [s]urround — the Transworld [B]uchan discovery in fractured [D]evonian ground. Again, there [d]o not appear a large number of [p]rospects where the Devonian [i]s overlaid by Jurassic in this [w]ay—never mind the problem [o]f production from fractures. [Y]et it is interesting.

Against this, however, must [b]e the disappointment of Shell [a]nd Exxon's separate drillings [n]orth-east of the Shetlands off [t]he Continental Shelf—where [p]rospects were once considered [b]right.

Outside the North Sea off the [w]estern coasts of Britain, the [p]icture is rather less mature or [c]ertain. West of the Shetlands, [S]hell in a joint well with Total [h]as at last drilled the other [s]ide of the median ridge, follow[i]ng the series of extremely dis[a]ppointing wells along the ridge [a]nd in the basin on the nearer [s]ide. The well was not a com[m]ercial success, but nor does it [s]eem (against the secrecy of the [p]artners) to have been un[i]nteresting either. What it [a]ppears to have shown is that [t]he geology on the other side of [t]he median ridge does differ [c]onsiderably from the near side. [W]hat it does not appear to have [s]hown is whether the unex[p]lored area going into very [d]eep water that side towards [t]he Faroes (where the oil may have been generated, or cooked in a "kitchen" in that direction) is that much more promising. Only further drilling can tell and, in view of the water depths, it seems a prospect for the next decade rather than this.

Going south, the Gas Corporation's gas field discovery in the East Irish Sea Basin off Liverpool is very encouraging and probably much better than the Gas Corporation admit. But it is not a large Basin while Amoco's return of its licences to the west suggest that it may be a rare example of a one or two-structure Basin.

Prospects in Cardigan Bay remain uncertain because of the Gas Corporation's obsessive secrecy about its results. But, while the Corporation is known to have applied for new licences in Cardigan Bay, it is not rumoured to have done so with great prospecting enthusiasm. The South Celtic Sea, or Bristol Channel Basin, prospects off South Wales, meanwhile, seem to have been drastically downgraded in the light of wells by Shell and BP.

Which leaves that ever intriguing question of the Western Approaches. No-one can really tell at this stage what the prospects are like. So far, there has been drilling in Irish waters, mainly in chalk, and this has been disappointing. On the French side, in the Brittany Basin, three wells have been drilled, one of which found no more than a metre of oil-bearing sands, and the partners do not seem very elated by the results. On the U.K. side, some blocks have been put on offer off Cornwall but in an area of such little prospect that—rumour hath it—no-one has applied for them (although there have been applications for the blocks south of Plymouth).

The main prospect, with that ever-present irony of exploration, lies right in the middle of the "cordon sanitaire" acreage now the subject of arbitration between France and Britain. The Basin is separated from the Brittany Basin by a dividing feature (a sort of outcrop). There are large features but less depth of sediment so that opinions in the industry are divided. If it is like the area off Ireland, it will not be very inspiring. If the structures contain oil-saturated sands it could be very exciting. But no-one can tell without drilling so that the attitude of the industry can best be summarised as "cautious agnosticism."

The other new area put on offer is the Channel itself. Here the hope must be that the onshore Jurassic oil discoveries like Witch Farm in Dorset may be repeated off-shore. But again, the structures would have to be much bigger to justify development while the flow of ships that pass in the night presents some horrendous nightmares for both exploration and possible production.

All of which only goes to reinforce the old adage that exploration remains full of surprises and gives little room for generalisation. If generalisations have to be made, it is probably true to say that nothing in exploration to date has suggested either that there is a new "Viking Graben" elsewhere off the U.K. or that any of the newer prospects challenge the continued attractiveness of the North Sea.

But there is still much to explore in the North Sea itself, both in the form of smaller prospects and different plays. And there are still sizable unknowns in the deeper waters north of the 62nd parallel, west of the Shetlands towards the Faroes, around Rockall and in the Western Approaches.

A.H.

OFFSHORE EXPLORATION VIII

Production begins to make its mark

IT WAS NO accident that British Petroleum and the Government made such an issue of the upgrading of Forties Field production. North Sea oil is one of the more positive and optimistic aspects of the British economy at present and at a time in October when the value of sterling was slipping badly those carefully - orchestrated announcements were fully justified.

Mr. David Steel, BP's chairman, confirmed what many in the oil industry already knew, that the Forties Field could yield oil at a maximum rate of 500,000 barrels a day, some 25 per cent. more than the original plan. This level of output should be achieved by the end of 1977. The revised productivity means that next year output should average 450,000 barrels a day, equivalent to about a quarter of Britain's oil requirements and worth over £1bn. in foreign exchange at present prices.

Little wonder, then, that Mr. Anthony Wedgwood Benn, Energy Secretary, chose to emphasise the good news. "This achievement confirms the contribution that North Sea oil is making to the strengthening of the British economy."

It is tempting to read too much into BP's experience on Forties, however. Mr. Steel pointed out that the original estimate of 1.8bn. barrels of recoverable reserves had not been changed. This figure is based on recovering 45 per cent. of the 4bn. barrels of oil in place whereas earlier reports suggested that BP was expecting only a 40 per cent. recovery factor from total reserves of 4.5bn.

As things stand, the BP statement means that reserves will be exploited much more quickly than expected. It is likely that maximum production can be sustained through 1978 and 1979 falling slightly to perhaps 490,000 barrels a day in 1980 and 420,000 b/d in 1981.

Whether the recovery rate can be improved even further largely depends on the financial attraction of using third-stage recovery techniques: steam or carbon dioxide injection, for instance.

These are early days for such speculation, however. It may be some time before a clear picture of the reservoir size and recovery characteristics emerge.

The early signs are encouraging but it must be remembered that less than one fifth of the planned 106 recovery wells are at present producing oil.

Considering that BP has been breaking new ground with the development of its big, deep water field, the Forties venture has progressed remarkably smoothly. It would be dangerous to assume that other development programmes will hold similar pleasant surprises, however. Experience to date shows, if anything, that the opposite is true.

Forecasts

In spite of Forties, North Sea oil production viewed on an annual basis is running below even the lowest Government estimates. In April, the Department of Energy, in its "Brown Book," forecast that between 15m. and 20m. tonnes of oil would be produced from the U.K. Continental Shelf this year. The latest estimate is 13m. tonnes.

By the end of this year seven fields should be on stream: the small Argyll, Auk and Montrose fields are making a useful, if somewhat limited contribution to Britain's energy needs. Occidental's Piper Field is starting too late to have any real impact on this year's North Sea flow rates. That leaves Forties, Brent and Beryl.

The Mobil Group's experience on Beryl is a sobering warning for those who might become over-excited about the Forties success. The field was due to come on stream in January but production was delayed for six months because of an accident involving the single buoy mooring system. The 480 feet high structure broke free in heavy storms in December 1975 but after repairs in Norway the SBM was re-installed with extra locking pins.

Beryl was the fourth British field to start producing although the start-up announcement was delayed, largely, I suspect, because initial development drilling did not go well. A fortnight ago output was reported to be 25,400 barrels a day from four wells. The operating group hopes that a maximum output of about 100,000 b/d will be achieved either at the end of 1977 or early 1978.

Nevertheless, there are still many questions to be answered about Beryl. Industry reports suggest that total recoverable reserves lie between 500m. and 600m. barrels although output through one platform and one sub-sea well might not exceed 400m.

Mobil and its partners recognise that the decision to develop Beryl was taken on the basis of a modest appraisal programme. In a sense, production drilling is helping to answer many of the questions about the field's characteristics. On the other hand, Beryl was developed before the full impact of cost escalation had hit North Sea budgets. The estimated capital cost of the field is between $550m. and $575m. Again judging by industry reports, the possible cost of developing Total's smaller Alwyn Field, 70 miles to the north, is put at over $700m. The cost of bringing on stream Texaco's Tartan field—another smaller find, this time to the south—is estimated to be around $800m.

Shell and Esso have also had their fair share of problems, particularly with the development of their Cormorant Field. The companies are facing significant delays as a result of construction problems (including an element of industrial relations difficulties) and design changes. It is now becoming a commonplace practice for oil companies to "redesign" parts of the platform structures as work proceeds to take account of updated technology and field information.

Current information suggest that it is unlikely that the Cormorant platform, being constructed by McAlpine's Ardyne Point yard, will be installed before April or May, 1978, instead of the scheduled date of August/September next year.

In an attempt to make up lost time Shell has been considering a plan whereby the basic platform would be towed to Stord in Norway for the deck structures to be fitted. In this way the structure could be towed to the field in a near-complete state.

Alternatively the group could tow the platform to Raasay west Scotland for the insta[llat]ion operation although water depth there would [be] insufficient to allow all the work to be accomplished. [Con]sequently Shell and Esso [would] have to complete the p[latform] deckwork assembly on the [field], a costly and risky bus[iness] which oil companies are [keen] to shun.

According to Wood Macke[nzie] development drilling on [Cor]morant may not start [until] September/October, 1978, [giv]ing a field start-up dat[e of] December, 1978/January, [1979]. This would be well over a [year] behind the original schedule.

Such a time-table may [be] surprising, particularly as S[hell] has already set up a spe[cial] team to work on the deve[lop]ment of the Cormorant Ex[ten]sion find. But Wood, Macke[nzie] explains that Shell is giving priority to moving the platf[orm] in place and hooking up [the] Brent pipeline.

The platform ordered [for] Cormorant will not only [pro]duce oil from the field bu[t] also act as a pumping and [stor]age unit for the group of [dis]coveries in the Brent a[rea]. Consequently undue delay [on] Cormorant could affect the [pro]duction profiles of other [fields] like Brent (already on st[ream]) Dunlin and possibly Thistle.

Decision

British National Oil Corp[ora]tion's Thistle Field (opera[tor]ship was acquired with Burm[ah]) is due to start producing next year. However the Th[istle] partners have already ord[ered] an offshore loading system, [a] decision was taken some [time] ago in case of problems [with] the pipeline or the Sullom [Voe] reception terminal. It is pro[ving] to be a wise move.

For the time being Brent is also being produced throu[gh] an offshore loading faci[lity] which can feed oil into one [of] two 70,000-ton tankers at ma[xi]mum rate of 5,000 tons an ho[ur].

Brent is the largest field [so] far discovered in U.K. wate[rs]. It contains an estimated 2[bn.] barrels of recoverable reser[ves] —including some 500m. barr[els] of condensate and natural [gas] liquids—and perhaps 3,[5] trillion cubic feet of gas.

The field is costing so[me] £2bn. to develop, a fair-si[zed] chunk of the £1.5m. a day t[hat] Shell and Esso are spending [in] the North Sea. Indeed, [the] development of the 15 fie[lds] now recognised as being c[om]mercial ventures, accounts [for] the biggest part of the bi[g] sum that is now being inves[ted] by the oil industry as a wh[ole]: over £12bn. between 1975 [and] 1980 alone. And, provid[ed] commercial incentive rema[ins] there is much more to come.

R.

Winning more of our market

BRITISH INDUSTRY has been winning well over half of the £1bn. worth of orders arising from the North Sea oil and gas programme this year and it has long been hoped in Government that British companies could increase this to over 60 per cent. within a few years.

But this performance, in many ways encouraging, has been achieved against a background of a falling market and many of the promises that bloomed in 1974 after the oil crisis have failed to reach fulfilment. Many of the sums worked out at that time in a mood of euphoria have since proved incorrect bringing with them the bitter experience of emptying order books, closing yards and mounting redundancies.

With the market from the North Sea still declining—it is more than two years since an offshore operator ordered a conventional platform for the U.K. sector—the industry is being forced to search overseas for orders.

Annual offshore expenditure is expected to rise from £4bn. to £6bn. world-wide over the *next decade according to Mr.* Jim Wilks, chief executive of the British Overseas Trade Board. He firmly believes that the supplying industries are now well-equipped to sell overseas, having acquired a considerable knowledge of the technology of offshore oil and gas exploration and exploitation.

Unexploited

The U.K. offshore industry is *hoping to get in on the ground* of Latin American oil developments for instance, which are still largely unexploited despite the great magnitude of oil resources. Over the next decade the area has some of the brightest prospects for the development of oil production and refining and with this in mind several trade missions are planned or have already taken place to the region.

With the aid of the Offshore *Supplies Office the whole of the* U.K. offshore industry is bidding for a bigger share of Latin American work. BP has an agreement with Petrobras, the Brazilian state oil company to explore an area offshore Brazil, and under the terms of the contract it will be responsible for all exploration and development costs, and if there is a commercial find it will be remunerated from the proceeds. A Scottish yard, believed to be McDermott's at Ardesier, is in the running for a big platform order from Petrobras, which could be worth tens of millions of pounds. McDermott's, which is building a steel platform for Union Oil's Heather Field has also recently won an order for a £9m. gas platform for Placid International's development in the Dutch sector of the North Sea.

But such examples or hopes of success do little to alleviate the generally gloomy short-term prospects for the platform builders.

The Government has recently warned the eight British yards set up to build production platforms for the North Sea that the shortage of home orders will last for at least 18 months. There is a "reasonable possibility," according to Dr. Dickson Mabon, the Minister of State for Energy, of only four of five platform orders being placed by mid-1978, plus an expected order for a floating production system from the Transworld Group, which is evaluating its Buchan field. Back in 1974 the Government forecast that at least 80 large platforms would be needed for the U.K. sector by 1980 and eight construction yards were sanctioned in Scotland and the North-East.

Now latest estimates to come from the Department of Energy suggest that there could be sufficient demand for about 30 *new orders between now and* 1980. Of the 23 already ordered or installed—14 have been constructed in U.K. yards. Less optimistic estimates by some North Sea analysts have indicated that the numbers could be as low as 11 in the next four to five years. But whichever estimates ultimately prove to be correct such a level of work, *coming after the two-year pause* in platform ordering, will be insufficient to occupy all eight *yards.*

Dr. Mabon has suggested that the yards should intensify their export drive and plans for diversification. "In the short term U.K. capacity cannot be sustained solely by work from the U.K. side of the North Sea. But that is not an argument for closing yards. What we don't want to see is a return to the days of 1974 when the U.K. did not have the capacity to build all the platforms on our *Continental Shelf.* Britain cannot afford the expense of importing large platforms. We need the capacity to meet the numbers and variety of platforms that will be required in the North Sea and to meet some part of the demand for platforms and equipment that will be coming from offshore developments around the world."

The Government feels that the prospects for *additional* business are brighter now than they have been in recent months. A decision has been taken to develop Conoco's Murchison field only a year after its discovery and appraisal work has been stepped up on other fields.

Whether the platform yards will ultimately benefit, however, when these appraisals have been completed is far from clear. Apart from political uncertainties, the desire of some companies to complete the initial phase of exploration before embarking on the next round, and the rising development costs, many oil companies are now looking at alternative development systems in the light of new technological breakthroughs and increasing financial constraints.

Such methods as floating systems, tethered and tension-

CONTINUED ON NEXT PAGE

هكذا من الاصل

Advantages in new technology

: OFTEN discussed two-year ›us in British platform orders had one beneficial and little gnised side-effect. It has ›d British offshore suppliers ›ek foreign markets, and, in process, to develop uniquely ish designs and techniques mineral search and explora- in deep offshore waters.

hen the oil race in the h Sea began, equipment, icularly exploration and pro- ion jackets and platforms, needed in a hurry. Often, ish designs had not been l or were not available, and ufacturers turned to foreign isees for the right to build heir designs. This was not ys true of course. But the wegian Aker H-3 has be- e an alarmingly popular ex- ation rig worldwide, and her Norwegian design, the deep concrete production form, has been attracting a of the attention that might gone to a comparable Bri- design, had a tried and ted one existed. And this not include American and ch designs which have gaining space in the world hore market.

Then the going began to get ly tough for the British et builders earlier this year, the symbiotic module and hore plant and equipment pliers began to see the writ- on the wall, a new word ot into the offshore sup- rs' vocabularly—diversifica-

iversification took two ns. On the one hand there e plans, not always realistic, jacket builders to use their iparatively massive re- rces to build bridges and ilar structures. This rather rlooked the existence of cialist groups who were al- dy wholly concerned with dge-building, and who could e all the orders available.

The other kind of diversifica- n that developed was both re interesting and more pro- sing. It involved the adapta- n of existing equipment for a role other than that for which it was originally designed, and at less cost than if the equip- ment for this new role were built from scratch. One example here is the potential adaptation of tankers, of which there is a plentiful supply, as single point mooring buoys and site storage on small or marginal fields. It is an idea that has been tried elsewhere, and is particularly suited to calm waters, so de- veloping such a system for the North Sea becomes a difficult, but unique, task if it can be achieved, offering particular ad- vantages in terms of storage and flexible loading times.

One group which is working in this area is David Brown Vosper (Offshore), which apart from developing a sophisticated collection and storage system, is working on the possi- bility of a dynamically-posi- tioned tanker which could be moored over a sub-sea com- pletion system and held in position by a computer.

Design

But it is in the field of new rather than adaptive technology that British design engineers are rapidly beginning to make their mark.

A British combination, Rox- burgh Dinardo, in conjunction with the National Engineering Laboratory at East Kilbride, won an award for a pontoon of steel rafts at the Houston Off- shore Technology Conference earlier this year. The idea sounds simple, and it is. But no one had thought of it before, and combined with plans Sir Robert McAlpine and Sons has for its "Macplats" concrete rafts, can dramatically reduce the cost of major marine instal- lations like oil storage systems and refineries.

Module manufacturers are aware of this trend on design thinking and are preparing themselves accordingly. A com- bination of North Sea module design incorporating the neces- sary equipment, and such a steel or concrete raft structure would mean that a buyer in say, the Gulf, could order a tailor-made compressor plant or small refinery, which would be built all in one piece in Britain, floated to its coastal destination, and sunk or shored-up on site.

Sir Robert McAlpine and Sons has been right in the forefront of this particular kind of diversified design. Its Ardyne Point concrete platform yard on the Clyde is among those yards which are facing closure through lack of orders. Although an order for a float- ing steel/concrete barge would not be sufficient to keep the yard running at full capacity, it would nevertheless not be unwelcome.

There is a better than even chance that such an order will be forthcoming fairly soon. Seven Seas Engineering has been working with McAlpine, Ewbank, Y-ARD, Roxburgh Dinardo and the National En- gineering Laboratory on a simi- lar idea which has been attract- ing a lot of attention from the oil production industry. Al- though the construction prin- ciple would be the same, this would not be a barge, but a sort of semi-submerged concrete bottle, called Scotbuoy, which could be moored over a sub-sea completion system, when it would extract and store the oil before being loaded on to tankers—a variation, for rough water, of the moored tanker theme.

So far about £150,000 has been spent on researching this particular project (with the Off- shore Supplies Office bearing half the costs.) A recent calcu- lation estimated that the $400m.- odd capital requirement for Union Oil's Heather Field, for instance, could be reduced to about $300m. with such a float- ing production and storage sys- tem.

The Scotbuoy theme is not far removed from the tethered- leg platform that has been mooted several times in the past year as a likely design for fields in particularly deep water. CJB Earl and Wright is the design engineer which has won the contract for the Murchison jacket from Conoco, and this has been a strong contender in oil industry opinion for a tethered-leg system. If it is decided to use such a system, and the order goes to a British yard (almost inevitably), this would be another British oil in- dustry "first."

There are several potential methods for tethering a plat- form to the seabed. Cables are used, but the tension in them becomes so great that they behave, in theory, as though they were rigid structural mem- bers. At present the National Physical Laboratory is looking into five possible methods of tethered leg platform, based on a concept first dreamed up in the United States.

But to look at technological advance in large offshore structures alone is to ignore a whole spectrum of other tech- nology equally necessary to hydrocarbon exploitation.

Marconi has long been put- ting a great deal of effort into communications and dynamic positioning devices in the North Sea. And another electronics group, Ferranti, has a special dynamic positioning system called the Station Keeping Aid (SKA). This is a device that can be fitted to supply ships and other craft, and which keeps them at the desired dis- tance from the platform or ship they are working to—particu- larly useful in the rough waters of the North Sea where station keeping can be a supply vessel master's nightmare.

Ferranti has developed an accurate instrument for down- hole servicing of oil wells. Developed in collaboration with Shell, it is a system which has long been needed in areas like the North Sea, ensuring that where multiple wells are drilled from one base, they do not intersect one another or other holes.

Rodney Smith

Aerial view of the Sullom Voe oil terminal under construction at Calback Ness in the Shetlands. When it is complete, it will be the largest oil terminal in Europe.

Market

CONTINUED FROM PREVIOUS PAGE

legged platforms and seabed wellhead installations are being evaluated, and Shell-Esso have installed an experimental sub- sea production unit on its Brent field to examine the system's performance and capability. Several systems have been investigated by BP for use on its Magnus field, and Transworld is likely to opt for a floating pro- duction system for its small Buchan field.

The production platform yards are anxious to diversify into other work to tide them over until platform orders are taken again, because this is the only way of keeping intact their skilled workforces. Highland Fabricators, for example, the company formed in 1971 by Brown Root and Wimpey, is now in the last stages of its third steel production platform to be ready for float-out in about four months time, and it has no follow-on orders. Mr. Kevin Barry, the managing director feels it would be "disastrous" if the present workforce had to be broken up. With this in mind they have been conducting a survey for several months of the types of work that could be brought to their yard at Nigg, and are now pursuing work in such fields as heavy tubular vessels, pipes, tunnel linings, process plant modules, storage tanks, dock gates, bridges and barges. They are also seeking orders for deck structures, buoy moorings, sub-sea completion systems and articulated columns.

Prospects

According to Mr. David Steel, the chairman of BP, the best prospect for the offshore in- dustry must lie overseas rather than in the North Sea. He feels that it is more important that U.K. capacity should match the continuing needs of the offshore market worldwide rather than making every last piece of equipment available from domestic sources for the North Sea market.

The Government has of course gained agreement from the oil companies that Britain's offshore industry should have "full and fair" opportunity to compete for orders. But some oil company leaders are wary of such an approach. Mr. Steel has warned: "We must be doubly careful to see that the U.K. does not become a pro- tected area of homegrown hot- house plants which cannot sur- vive in the chilly climate of international competition. Also that foreign governments do not come to view the U.K. as a privileged nursery for British industry, thereby inviting re- taliation and discrimination on potential overseas markets."

He considers the U.K. sector not as an end in itself but as a springboard towards selling highly developed skills in many countries where the offshore search is spreading. According to BP estimates about two-thirds of recoverable reserves in the U.K. North Sea have been found, and it is likely that 20 times more oil will be dis- covered offshore in the work that remains to be found in U.K. waters.

But it is far from Britain alone that is suffering from a shortage of work from domestic markets. Norway, whose industry has so far delivered only about 15 per cent. of the equipment for the Norwegian Shelf is also taking steps to ensure that its own in- dustry has full opportunities to bid for business in the Nor- wegian sector. The Federation of Norwegian Industries has set 40 per cent. as a possible target for deliveries and at the same time the offshore industry is stepping up pressure on the Government to stimulate activity in the Norwegian sector.

Employment

Employment in the industry is falling in a parallel way to the U.K. experience and by mid-1977 total employment in the oil sector is expected to fall by more than 4,500 compared with August this year. The Nor- wegian and British Govern- ments have talked impressively about the prospects of joint ventures both for the North Sea and worldwide export, but such discussions are still to show any great results.

The highly successful Nor- wegian designed Condeep con- crete gravity platform might, however, provide one setting for such co-operation. The Mowlem/ Taylor Woodrow group, which has the U.K. licence for Con- deep, is known to have been considering the vacant Porta- vadie site as a building base with a view to capturing an order from Shell-Esso for a platform that is being con- sidered for its find near the Cormorant field.

The total of U.K. offshore business has clearly declined in the wake of the hiatus in platform ordering. In sectors where the U.K. has an appreci- able capacity it has performed well in the domestic sector pushing up its total business last year to 63 per cent. on the capital goods side, with the main improvements in perform- ance coming in process plant and equipment, pipe coating and fitting; well-head and com- pletion equipment and modules and other fabrications.

But the problem is in pre- dicting when the overall industry can expect an upturn. As analysts Smith Barney Harris Upham explain: "The bubble of potentially develop- able fields is expanding. Just when the bubble will burst and new commitments resume, is difficult to say although we believe events are moving much closer to this point."

K.D.

Gloomy outlook for rig builders

THE PROSPECTS for oil rig manufacturers and contractors in the next 12 months are gloomy as rigs come off contract and are unable to find further work. Some are facing a future of being laid up for unspecified periods or else they are being placed on work that is so uneconomical that contractors are finding it difficult to even cover their costs. With the continuing lull in North Sea activity no major boost to the drilling market is expected until exploration gathers pace off the Atlantic coast of the U.S. over the next two years.

Brokers such as Mr. Sverrie Farmen of Shield Offshore do not see the market picking up *for at least 18 months* and are writing off the 1977 drilling season in the North Sea as a period when the current low level of activity is unlikely to be altered. One reason for this outlook is that several sophisticated rigs are now contracted at rates between \$18,000 and \$20,000 a day, rates that fail to break even, and these contracts continue through next year.

One effect of the depressed market is that a certain natural reduction in the number of rigs available is occurring as older rigs are withdrawn from service and scrapped. In about 12 months it is possible that the reduction will have been great enough to allow the market to start absorbing the available rig capacity. This is also being reduced in the North Sea by a number of rigs operating as *accommodation platforms.* This is not wholly profitable work, but it helps to cut down the number of rigs available for drilling contracts, and it prevents them being laid up.

Return

With the allocation of new exploration areas off the east coast of the U.S.—made despite pressure from environmental groups which had threatened to delay, if not scuttle, the new round of leases — a few rigs *have already left the North Sea* to return to the U.S. The new acreage leased is in the Baltimore Canyon Trough, some 50 miles off New Jersey, an area where the U.S. Geological Survey estimates that reserves could range from 400m. to 1.4bn. *barrels of crude and from* 2.6 trillion to 9.4 trillion cubic feet of natural gas. Opinions among the oil companies have varied as to how accurate these estimates might prove, with some predicting that the chances of finding commercial oil or gas *are about 20 to one. Others,* such as Exxon, which picked up 30 tracts costing \$343m. after entering bids totalling \$730, showed an enthusiasm which suggested that it was looking for considerably better chances of perhaps one in five of finding *oil or gas.*

The effect on the drilling market of the new allocations is far from immediate, and drilling is unlikely to begin for about nine to 18 months. Some eventual stimulus to drilling will also be felt from the fifth round of licensing in British waters. A *total of 71 blocks and part* blocks were offered in the Moray Firth, along the median line between the British and Norwegian sectors of the North Sea and several other areas, including the South-Western Approaches off the Cornish coast, and the Celtic and Irish Seas.

In Norway pressure is building up on the Storting (Parliament) to decide in favour of allowing drilling north of the 62nd parallel when the issue is debated in January. Rig builders facing dwindling and empty order books are anxious that activity in the Norwegian sector of the North Sea should be stimulated but even if the Storting decides to allow drilling in the four favoured areas of More, Trondelag and Troms I and II, it is unlikely to begin before 1978 or 1979.

Mr. Carsten Schanche, managing director of the Norwegian Aker group, producers of the Aker H-3, perhaps the most successful semi-submersible rig yet produced, is urging more block allocations and more favourable tax terms as ways of increasing *the demand for rigs,* but he admits that in the short-term the prospects are not bright. Market expectations have not been fulfilled and as a result of the international recession rates have dropped to unprofitable levels.

This is a particular difficulty facing Norwegian and U.K. drilling companies, which have only entered the market in the past few years. The levels of costs they are facing are appreciably higher than many U.S. competitors operating with older equipment. They also have the difficulty of establishing a track record in drilling when pitted against companies with long-established international reputations.

Mr. Schanche feels that the current over-capacity should start to be alleviated in 1978 and suggests that dynamic positioning and improvements in rig design for drilling in Arctic waters are requirements which future suppliers should be looking at. The Aker Group also believes that there is a *market for rig types suitable* for operation in shallower waters such as the Arabian and Mexican Gulfs, and off South-East Asia and South America.

In the last four years mobile offshore drilling rigs have gone *through an extraordinary* development period and between 1970 and next year supply is likely to have doubled. According to figures produced by L'Institut Francais du Petrole earlier this year in its two-volume study of the world *market for rigs the present fleet* numbers about 340. This would be broken down into 17 submersible rigs, 147 jack-up rigs, 97 semi-submersible rigs and 77 drillships. All categories except the submersibles have shown an increase over the past 18 months.

Nearly 46 per cent. of this total are capable of drilling in depths of water of more than 150 metres. Because of their mobile nature rigs might well move all over the world in search of work during their lifetimes but this year the main areas of operation are North America, 28 per cent., Western Europe 23 per cent.—17 per cent. in the North Sea—South-East Asia, 15 per cent., and Latin America 12 per cent. The Middle East has accounted for 10 per cent. of this year's activity. Africa 9 per cent. and the Communist countries 3 per cent. The distribution of rig types has varied enormously according to local conditions with more than 50 per cent. of the semi-submersible rigs, for example, working off Western Europe.

The average life of a rig has tended to be at least 15 years and at the beginning of the year, *according to the IFP,* only 17 per cent. of the total number of rigs had been built before 1965, with the average age for all drilling rigs being set at 7.3 years.

Owners

One major trend among rig contractors is towards a greater proportion of European owners, which is being compensated for by a marked reduction in American contractors in terms of total market share. There are numerous rig owners with more than 80 companies operating, but many have interests in only one rig. The reduction in American contractors can be seen from the drop from their position of owning 83 per cent. of rigs in operation to 55 per cent. of those on order. But despite the profusion of owners half the current orders placed have come from no more than 15 companies that are already well-established in the market. At the beginning of 1975 of all rigs in operation American owners controlled completely or with foreign interests 83 per cent., although only about 25 per cent. were working off the U.S. coast. European contractors were involved in 13 per cent. of the total.

Rig builders are distributed widely throughout the world. During the decade 1965-1974 of total deliveries of 214, 53 per cent. came from U.S. yards, 22 per cent. from Western European yards and 16 per cent. from South-East Asia.

But orders reached a peak in 1975 and have been declining rapidly since in every rig category. From January 1 1975 to July 1 1976 the number of jack-up rigs on order has declined from 64 to 27, semi-submersibles from 64 to 28, and drillships from 38 to 14. The orders are divided among some 40 yards with the U.S. taking 29 per cent. of the market—against 53 per cent. in the period 1965-74 — Western Europe 33 per cent. and South-East Asia and Australia 34 per cent. About 20 new yards have been set up since 1972, but in 1975 and the first half of this year only 10 new orders were placed and these came mainly at the beginning of the period. At the same time 19 orders were cancelled and 88 rigs delivered resulting in a 55 per cent. reduction in the order books.

The rate of growth has been uneven following the fluctuations in the exploration activities of the oil companies, but in the past 15 years there has been a dramatic dispersal of drilling operations around the world from a point in 1960 when 92 per cent. of all rigs were located off the U.S. This year South-East Asia is accounting for 15 per cent. of all operations, Western Europe, 23 per cent., Latin America 12 per cent., the Arabian Gulf 10 per cent., Africa 9 per cent. and the U.S. 26 per cent.

IFP estimates that by the beginning of 1978, when activity is likely to start picking up again, 400 rigs should be available compared with 301 at the beginning of this year. Of the top 20 companies only three will be European, Fearnley and Eger, and Fred Olsen from Norway and Forex Neptune from France. About 70 per cent. of the total number of platforms will be under American control, as against 83 per cent. in 1975, while the European share will go up from 13 per cent. to 25 per cent. in the same period. The major European proportion, 15 per cent., will be accounted for by Norwegian interests who should be controlling 32 per cent. of semi-submersibless — the European share of this sector should reach 50 per cent.

The prospects in the short-term for the mobile drilling market are gloomy, with the excess of supply over demand unlikely to be reversed before the end of the decade. The rig surplus has now existed for many months and at the beginning of the year at least 25 rigs were laid up without contracts. At the same time 60 per cent. of rigs under construction were without contracts, and IFP suggests that by 1978 there could be a surplus of about 50 rigs. This would take in about 12-13 per cent. of available rigs, with first semi-submersibles and then drill-ships being the worst affected.

Difficult

The IFP survey concludes: "Between 1976 and 1979 several owners of mobile rigs will experience a difficult time. These are principally the companies which entered the market during the euphoria of 1973-74 and will not be able to distribute their receipts over a fleet composed of new and old rigs (the latter built in many cases at a third or a quarter of the cost and often already depreciated).

"By contrast, already well-established contractors ought not to experience any great difficulties, even if the average return on their operations tends to drop. As far as the construction yards are concerned, very few new orders are to be hoped for before 1978. The first new orders will probably be for jack-ups."

But to date about 85 per cent. of the continental margin *remains unexplored* and techniques are being developed to allow exploration in progressively deeper waters, which holds out better markets prospects in the period up to the mid-1980s. Deliveries are hardly likely ever to repeat again the levels reached in the past three years, but a growth towards a fleet of some 460 in 1985 is considered feasible, and according to the most optimistic estimates this could be as high as 600.

Kevin Done

Problems with pipelines

THE NATIONALISED industries are used to putting up with what they judge is unjustified criticism. But the British Steel Corporation still gets irritated by those people who accuse it of letting Britain down because it can provide no pipeline which comes up to present-day specifications for transmitting oil and gas under the sea.

The BSC argues that it would have been commercially ludicrous to have had such capacity before the North Sea exploration began and that there is still over-capacity in the world for this type of product. So it might very well find the business uneconomic, even if it does come late to the game.

When the North Sea offshore market began to open up all the corporation had in the way of inherited pipeline capacity was its Hartlepool mills, capable of producing pipe in diameters from 24 inches to 44 inches in a thickness of up to ½ inch.

But the oil companies required pipelines as much as 0.8 inch-0.9 inch or even 1 inch thick because of the particular pressures experienced in the North Sea.

Consequently Britain itself has been able to provide only a very meagre part of the pipeline required for the North Sea. Latest Government statistics show that British companies captured only 5 per cent. of the offshore pipeline market (worth £58m. in 1975 and £85m. the previous year). Most of the pipeline is coming from the Continent or Japan.

Ever since the BSC started to discuss its major rationalisa-

CONTINUED ON NEXT PAGE

Published by The Financial Times Ltd. Registered in London. Number 227590 Registered Office: Bracken House, Cannon Street, London EC4P 4BY

Services in demand

HE VALUE of orders for ser-ces for the offshore industry, nging from rig hire to pipe-ying, diving, and helicopter ansport, catering and marine ansport rose last year to 85m. in the U.K. sector of e North Sea and even out-ripped the total value of pital goods orders, which clined to £529m. (from £660m. 1974). But one area of the rvice sector still remains rgely untapped and as the orth Sea fields move into the oduction phase it will be pro-ding a new market of £150m. 1980 in labour content one.

This potentially lucrative ea is maintenance and over e next four years it will be-me one of the big growth mar-ts of the offshore scene, but yet it is hardly off the ground. d few U.K. companies have gun to make firm prepara-ons to provide the kinds of mplex package deals that will sought by the oil companies. he maintenance market has en slow to grow in the uthern sector of the North a because of local conditions d the nature of gas platforms. ut in the turbulent weather nditions of the northern orth Sea, as increasingly com-lex platforms are placed in ore and more inaccessible cations, the demand for main-nance service is set to mush-oom in a manner that few mpanies and Government gencies are yet ready to face.

Essential differences between e maintenance demands of e gas platforms in the uthern sector and the oil plat-rms of the northern sector of e North Sea will soon become pparent over the next two ears. The changes will impose need for investment in men, quipment and administrative ystems that are likely to be as aunting as some of the tasks hat will have to be performed, nd it is probable that only ome of the U.K.'s largest com-panies will be able to muster he financial resources on the ecessary scale to do the job.

Experience in the Gulf of Mexico has shown that about 5 per cent. of the capital cost of production equipment is spent annually on the mainte-nance and servicing of offshore platforms. Of such a calcula-tion it is estimated within the servicing industry that a development such as Shell-Esso's Brent Field, the biggest discovery in U.K. water and the sixth to be brought on stream at a cost of £2bn., would gene-rate an annual maintenance budget or commitment amount-ing to some £60m. About 60 per cent. of development costs for this field are accounted for by the equipment and hard-ware, including the platform and pipeline.

Maintenance

The sort of maintenance operation that has been possible in the *Gulf of Mexico* and especially on the gas platforms in the southern sector of the North Sea where it has been carried out piecemeal, will no longer be feasible in the northern sector. The five main companies involved in the southern sector, Amoco, Shell, BP, Conoco, and Phillips all have their own maintenance philosophies, which have largely involved tasks being carried out by their own personnel. Outside contractors have usually been brought in only when the necessary work was too big or too difficult to handle domestic-ally.

The gas platforms are far smaller than the oil production platforms and are far more accessible from the shore. Operating in depths of only about 120 feet they are located no more than about 50 to 70 miles offshore and because of the less turbulent weather conditions they can be reached for about 350 days of the year. Also because the process of extracting gas is far less com-plex than that needed for oil, the platforms are less compli-cated, their own energy needs are far smaller than an oil platform's and they have only about 10 per cent of the mov-ing parts. This means that the most practical form of mainte-nance is remedial, rather than preventive.

It has proved necessary to keep only very small mainte-nance crews on the platforms, of perhaps three people, because it is a relatively simple operation to support them from the shore, either in terms of spare equipment or extra per-sonnel. Some maintenance companies, often starting from a very small base, are now looking for a period of major expansion to be able to cope with the demands of the northern sector. They are con-fident, however, that after cut-ting their teeth in the southern sector, they are capable of taking on more onerous work.

In the northern sector the pressures of the violent weather conditions will far more easily push structures towards destruction. Platforms are standing in perhaps 600 feet of water about 200 miles from land, and conditions have proved even worse than many experts predicted. Structures for fields such as Brent, Dunlin and Cormorant to the north-east of the Shetland Islands have been designed to deal with 100 feet waves, but the frequency of such levels had been esti-mated at perhaps one every 12-15 years. Yet in the winter of 1974-75 waves in excess of 120 feet were suffered on four separate occasions, accompanied by winds of up to 120 mph. In such conditions accessibility is brought down to perhaps 280 days a year for personnel to be flown out and down to about 200 days for landing supplies or equipment by boat.

Faced with such a new range of problems the oil companies have generally accepted that maintenance must change from being largely remedial to a pre-ventative approach. Rather than flying in people and parts on an ad hoc basis, a definite maintenance programme will be followed throughout the year by crews numbering as many as 40 on the larger platforms.

One of the few U.K. com-panies that is already confident that it has the right strategy for this next major phase of North Sea development is the EAE Group, which is part of Plessey. Started in 1968 in Great Yarmouth with a staff of ten people it now has a workforce of some 1,100 people and a turn-over of £10m. The business was started by Mr. Francis Holmes, who is still the company's managing director, in order to take advantage of opportunities offered by offshore gas develop-ments. At first a service was offered as electrical maintenance contractors and this was gradually supplemented by a growing expertise in radio and communications, electronics, instrumentation and control, and finally structural pipe-work and mechanical maintenance for such equipment as turbines and rotary tools.

Package

According to Mr. Holmes a full maintenance package for the northern sector would offer in the first place a study of the respective structure from the sea bed up, which would lead to a report and recommenda-tions for a complete year-round maintenance schedule.

"You will have spares, work-shops and skills permanently available on the platforms, rather than flying in parts and people." Maintenance companies will be able to fulfil the role of both consultant and contrac-tor, depending on whether the operators wish to keep main-tenance in their own hands. But Mr. Holmes expects at least 80 per cent. of the work in the U.K. sector of the northern North Sea to go out to contract, chiefly because the logistics and management of support services onshore will be an extremely complex task.

EAE has always concentrated in the past on inspection and maintenance of equipment and structures above sea level, but earlier this year it formed a new joint venture company, Sea Maintenance, with Solus Schall with the aim of providing a comprehensive inspection and maintenance service both above and below water. Solus Schall is a British subsidiary of the U.S. Intairdril group, and pro-vides skills in underwater sur-vey and inspection of all types of offshore facilities as well as maintenance expertise for pipe-lines and underwater structures.

The first maintenance con-tracts for fields that are already in production are expected to be put out to tender early next year. In the first two to three years of a platform's life little maintenance work is required and many items in the early days are covered by some form of warranty. Contracts are ex-pected for the Forties, Auk, Montrose and Beryl fields between January and May, but the whole maintenance sector is still at a very early stage of development. Mr. Holmes is anxious that the great opportunities it offers should be recognised in the U.K. before the business goes overseas, and he draws anxious parallels with the slow development of the offshore construction indus-try, and is trying to ensure that the U.K.'s performance there is not repeated in maintenance.

The potential market is very great indeed in the U.K. sector alone. Purely the labour con-tent of a maintenance contract for average size oil production platforms is expected to reach between £2m. and £3m. a year and more than 20 such plat-forms should be installed by 1980. The business also has an important long-term potential with the prospect of 50 to 60 large-scale platforms being in-stalled through the total life of North Sea development, with lives of between 20-25 years.

The EAE Group decided last year that its future had to lie with a larger company because of the enormous financial sup-port necessary for preparing the organisation essential for an integrated maintenance operation in the northern North Sea. But it sees the future of this service sector for U.K. in-dustry lying in overseas mar-kets as well as the North Sea. EAE is itself becoming more heavily involved in the Middle East and particularly the Mediterranean coast of North Africa. From a point where it was doing hardly any overseas business in 1974, it gained 20 per cent. of turnover from this source last year and expects it to reach 35 per cent. by 1977. According to Mr. Holmes: "The pickings are everywhere."

The EAE Group and Solus Schall do not expect to be in a position to take on more than one additional major contract a year because they wish to limit the speed at which they grow. Together they have an annual turnover in the region of £14m. and an operating force of 1,500. Yet Mr. Holmes main-tains that there will be work for as many as six to eight com-panies of similar scope as the maintenance market expands.

The future of maintenance work in the North Sea has also started to attract the attention of companies that have tradi-tionally been involved in other spheres. The oil rig supply boat business, for example, has been badly hit by the lull over the past two years in North Sea exploration. With the prospect of more than 80 supply boats being laid up in North Sea ports during the winter season, off-shore service companies have been prompted to diversify their fleets.

Fleet

Star Offshore Services which has rapidly built up a fleet worth some £24m. in the past three years has recently placed on contract a sophisticated £3.25m. underwater systems vessel. It is on long-term opera-tion with Hamilton Brothers on its Argyll field—the first field to start commercial oil produc-tion in the U.K. sector—on the maintenance of underwater wellheads, flow-lines, single point mooring buoy and asso-ciated pipelines. In common with many other operators SOS is looking to the maintenance phase of oil production to pro-vide a stability of contracts that has been missing from the more recent phases of exploration, as well as offering an entry to one of the major growth areas in future offshore development.

Kevin Done

Pipelines

CONTINUED FROM PREVIOUS PAGE

ion programme it has mentioned the possibility of adding the necessary capacity o that it might at least go after he contracts it has so far been n no position to bid for.

A solution seems as far away s ever though. The key feature f this particular problem is the orporation's plan to invest in major new plate mill which ould be able to use controlled olling techniques and thus pro-uce plate of the thickness equired in the North Sea.

The pipe mill itself presents a uch less difficult problem and is possible that the existing lartlepool mill could be modi-ed at relatively little cost to ope with the manufacture of e pipeline once steel plate f a suitable thickness was vailable.

According to the BSC's plans o far announced the new plate ill would be part of its evelopment on Teesside, and a ery major part in terms of vestment and in employment rms too.

Storm

It is because the project ffers so many new jobs that it as become the centre of a olitical storm on Teesside. An dication of the way the local eople see it is that it is con-antly referred to as "the 300 job plate mill." Both onsett and Hartlepool have put their claims for the proposed ill. But Sir Monty Finniston, ecently retired chairman of the orporation, has publicly stated at "there is no rational altern-tive but to site the mill at edcar." In spite of the long elays to its investment pro-ramme the BSC is actually in e process of modernising Red-ar and, under "Stage Two" urrently proceeding, a new last furnace is being con-tructed.

Another reason why the ebate about whether or not here should be a new plate ill, let alone where it should e sited, is that it would have have an annual capacity of m. tonnes a year. And with is extra capacity the Corpora-on would have to close down ss-efficient mills. Thus the bs problem once again looms rge.

The BSC's last annual report ated: "The new mill, which ould be an integral part of e major steelmaking complex lanned for Redcar, would com-are with the most modern in e world and would place the orporation in the strongest commercial position for the future development of its plate business."

But last month the new chair-man Sir Charles Villiers at a meeting with Teesside Members of Parliament said that a review was being carried out to see whether a mill of the size planned was justifiable in terms of probable world demand and output of steel plate.

He indicated that the Cor-poration hoped to make a deci-sion in the spring of next year on whether to go ahead with the £200m. mill, and would also decide where it should be located if the go-ahead was given.

Meanwhile, what has the BSC been missing? So far some 1,500 miles of sub-sea lines have been laid in the North Sea and on the basis of programmes already under way this should reach over 2,000 miles by 1980. Stockbrokers Wood Mackenzie, in a recent study, suggested that an additional 1,500 miles of line—on top of those for projects on the way—are now on the drawing board or in the "pos-sible" category.

If the Dutch sector is in-cluded and the pipelines in the fields themselves are added, the figure could go as high as 1,800 to 2,000 miles.

To put North Sea demand in context you have to refer to another survey of non-Com-munist pipelines which esti-mated that well over 23,580 miles of four-inch and larger lines are expected to be laid this year. The cost of this work could well exceed $8.75bn.

As might be expected, the U.S. emerges as the biggest spender. This year some 7,570 miles of pipeline should be laid in the U.S., including some of the final sections of the ambitious trans-Alaskan trunk line which must rate as one of the biggest en-gineering projects ever under-taken.

Where the BSC can supply it seems to do well in the North Sea projects. It is supplying nearly all the casing pipe de-manded, and delivered some-thing like 105,000 tonnes of this product last year.

The Corporation did require more capacity as demand expanded and so it has under way an expansion of its manu-facturing capability for casings used in oil and gas wells at Clydesdale in Scotland.

This involves the replacement of old open-hearth furnaces by electric arc plant at the works and a new quench and temper plant is also being installed.

Kenneth Gooding

OFFSHORE EXPLORATION XII

Legislative deluge

THE LAST THREE years has seen an almost constant flow of legislation and negotiation concerning the North Sea. The Petroleum Revenue Tax, the Petroleum and Submarine Pipelines Bill, the Energy Bill and the new terms for the fifth round of licences, never mind the participation talks, have all absorbed time, energy, tension and argument to a degree unparalleled in any other industrial field of the U.K. And, if the Government is now promising a quieter period of legislation, the talks between the industry and the Government on the details of royalty calculations and production permits following the Petroleum and Submarine Pipelines Act, the discussions on licence terms and joint operating agreements as a result of the new licence round and the discussions between individual companies and the Inland Revenue on tax details continue unabated.

In a sense all this talk could be regarded as both inevitable and constructive. If nothing else, the Government is probably right in its claim that it has been more open to discussion and detailed change in its proposals than virtualy any other Government since the War.

Changes

And changes it has made. The final form of the Petroleum Revenue Tax, with its capital uplifts, safety net and other provisions, was revised not just in particulars but in shape as a result of intensive negotiations with companies. The Petroleum and Submarine Pipeline Act was changed in a number of crucial areas of reassurance on the operation of production consents, common-carrier pipeline provisions and depletion controls. The recent Energy Act was modified in important respects as far as the rights to use gas freely within companies was concerned. The Energy Secretary, Mr. Anthony Wedgwood Benn, has recently made one of the most important concessions of all in changing BNOC's obligations on development costs in the new round of licences from a "carried interest" to a "pay-as-the-cost-is-incurred" basis.

What the continued, post-legislation, discussions now concern is less principle than the details of administration. The most important is unquestionably the way in which development consents are given and the limitations within which depletion controls will be operated. The Government's obvious desire is for the maximum of information before consent is given and the minimum of change before consent has to be re-applied for. The companies argue that such definition of production profiles and performance is almost impossible by the nature of development and its fear remains that too narrow a band of allowed deviation from production performance could leave it constantly at the mercy of annual re-applications. In the same way companies are also anxious to define as far as possible the limits to which the Government can operate production limitations after 1984, when Mr. Varley's promise of non-interference on existing discoveries runs out.

Other discussions concern particular, although not unimportant, details on calculations of processing conveyancing costs for the calculation of well-head royalties; an industry-wide basis for operating agreements with the British National Oil Corporation; some of the technical aspects of the pipeline clauses in the Petroleum Act and some outstanding corporate issues arising from the petroleum revenue tax.

None of these issues look headed for confrontation. Indeed, most of them seem well on the way to compromise. This is not to say that the industry is now well satisfied with the shape of legislation as it has been modified. But, after the very real concerns over Government intentions which greeted the Government's first announced policies on depletion, control, participation and tax in 1974, there is at least some reassurance that the Government's intentions are honourable rather than simply perverse. Most companies would accept the Government's case that, in view of the mistakes of the past and the central importance of oil after the price rises of 1973-74, legislation to enable it to control supplies and price in case of a national or international emergency, rules to empower it to control field development and action to give it a fair share of the profits resulting from high oil prices were inevitable and practised throughout the world.

The underlying worries are more generalised—the degree to which the extensive negotiations following legislative proposals reflect a lack of understanding by officials; the extent to which the numerous powers taken by the Government will actually be used and under what circumstances; and the degree of political security that all this legislation will in practice provide over the coming years of development.

Whatever the compromises made to the bills before final enactment, the fact that such extensive modifications had to be made to the Energy Bill proposals, as to the original drafts of tax and control legislation, must raise questions as to the quality of the civil service involved in these issues. The North Sea, after all, is now more than a decade old. Yet even after this experience, and even after the talks surrounding the Petroleum Bill, the Government still came forth with a Bill like the Energy Bill which was poorly drafted and badly prepared. Yet confidence in the experience and authority of civil servants is essential if the public is to believe that its interests are being preserved and if the industry is to believe that the vagueness of control is not to lead to problems in the future.

This confidence must further be unsettled by the total lack of definition of any policy framework for the wide-ranging controls which Government has now taken upon itself. Controls, as in the Petroleum and Energy Bills, are means not ends. In these Bills, the Government has now the power to exercise control of supplies and prices of oil not just in an international emergency but in any situation which it defines as requiring their implementations. It has the power, through the liquefaction clauses of the Energy Act, effectively to control gas exports. It has the power to direct flows of petrochemical as well as methane gas onshore and it has considerable powers to affect, through the BNOC as well as direct control, the purchasing and investment policies of companies. Most important of all it has the power of reducing oil field flows. Yet there remains no policy towards depletion, no policy towards on-shore investment and no policy towards value-added use of oil and gas. And, until there is, there can be no certainty as to how these powers will be used.

Such a lack of policy framework may indeed reflect an even more disturbing lack of political stability at the centre. Scottish nationalism, for example, must remain one of the most important single influences on political decision-making as regards the North Sea as so much of current policy. Yet the devolution proposals hardly mention it nor does Government policy on the North Sea seem to cater for it—an omission that could prove to have important consequences over the future.

Bite

In the same way, there must remain lingering doubts as to the efficacy of the tax legislation. By retaining the fixed rate tax concept rather than a variable "excess profits tax" concept, and by introducing the capital uplift provisions, the Government has given considerable advantage to major companies such as BP with early, large fields. When the size of the resulting cash flow becomes known—whatever the facts of the later tax bite—it is hard to see how a political uproar can be avoided, with all the consequences that has for a reconsideration of the whole issue. Nor, for all the safety-net provisions, has the tax managed to encourage the development of marginal fields. The Government has so far given no indication of how flexible it will be in the remission of royalties. The ring fence concept around fields (though not around the North Sea as a whole) is a discouraging one for investment. The interpretation of the tax rules will take years of experience to clarify.

Hopefully these fears will prove groundless and the last year of legislation will end one era of political uncertainty and introduce another of greater stability. At least there is little indication that a change of Government will lead to dramatic reversals of Acts in force. But, for the time being, there must be a sneaking suspicion that the legislation may not succeed in its aims and that, in a few years, it may all have to be reconsidered again.

A.H.

Securing the finance

THE CIRCUMSTANCES surrounding North Sea oil and finance up until the beginning of this year were marked by a certain irony. Britain was still using its North Sea assets as a major security when shopping abroad for balance of payments loans. But the oil companies actually carrying out the work of exploration and development, were experiencing a well publicised reluctance among the banking community to supply the funds required.

This year, however, has seen something of a reversal in the pattern. Recognition of the extent to which the British Government has already mortgaged North Sea oil is one of the reasons why the current negotiations for an International Monetary Fund loan are being hinged so much more closely on public expenditure policies and other more immediate economic measures while almost simultaneously, 1976 has produced markedly brighter financing prospects for the oil companies.

Of major significance to this development has been the entrance of a new phase in the North Sea oil programme. Until last year, the major part of the work was taken up with exploration of the various fields, assessment of their potential yield and so on. But now the emphasis has changed to the job of production itself and already the revenues are beginning to flow in.

A major landmark has been evidence of the extent to which British Petroleum has already begun to reap the benefit from its £800m investment in the Forties Field. Although the group has not yet been specific on the extent to which North Sea output has boosted its revenues, it has attributed a major part of its profits growth so far in the current year to North Sea oil. In the second quarter it reported net income of £51.8m. against a comparable £37.3m. and £20.2m. in the first quarter.

Estimates

In September, the group reported that during the April-June period, the Forties production average rose from 135,000 barrels a day to 160,000 b/d and exports to the Continent first started early in the year were believed to total some £20m. in the second quarter. Next year production from the Forties by BP is expected to rise to around 400,000 b/d.

Meanwhile, the Government's Energy Department has been giving some reassuring estimates of the kinds of revenues that can be expected from the U.K. sector of the North Sea from now on. This year, the value is reckoned to be around £900m. and the Government estimates this will rise to between £5.3bn. and £6.8bn. by 1980.

Another psychological landmark for the banking community and other fund sources for North Sea development occurred early in 1976 when BP started to repay the £360m. bank loan is raised in 1972 to develop the Forties field.

Thus, while in the past potential lenders have been much preoccupied with the technical inexperience and consequent mishaps that blighted North Sea exploration, 1976 has produced a degree of evidence—in cash—that the risks taken in the past are beginning to pay off. Moreover, while fears about technical difficulties of recovering oil from the hostile depths of the North Sea may still have some validity, they are likely to be increasingly upstaged by the sort of success that BP and other oil majors have had this year in physically landing the oil and by the technical advances which are improving the commercial prospects of some of the smaller oil discoveries as well.

It is in the nature of financing commercial projects that as soon as evidence emerges that the projects are capable of earning their living, the need for borrowed funds decreases because cash flow becomes available for investment. But in the case of North Sea oil, the very volume of the funds required and particularly the need for aid by the smaller oil development concerns who do not have the investment resources of the major companies has ensured that the financing programme remains as important as ever.

Moreover, this need has been enhanced in the current year by new statistics on the extent to which costs of North Sea development have risen beyond previous expectations. Only last July, the Department of Energy in a report on North Sea cost "escalation" pointed out that the most recent estimates of all projects in the North Sea were more than double those of the original estimates while projects active throughout the period autumn 1973 to spring 1975 had risen some 2.4 times over initial budgets. The Forties Field development cost to BP, for instance rose from £360m. in 1972 to £750m. in mid-1975. Inflation had played a part but miscalculations had also been made because of technical inexperience.

Methods

Overall, it is believed in the industry that between £8bn. and £10bn. is still required to develop North Sea oil discoveries up to 1980, bringing the total cost of financing the U.K. fields, allowing for inflation, to what the Henley Centre of Forecasting has lately put at £14.7bn.

Against this background, 1976 has also turned out to be a useful land-mark in the broadening of alternative methods of financing.

EEC finance has even become of significance where the European Investment Bank has been able to provide funds where North Sea projects have offered important spin-offs in the area of regional development. The EIB provided £20m. for gas transmission from the Frigg field earlier this year because of regional implications for industrial development in Scotland and Northern England. More recently it announced a $30m. loan to help with production costs of the Beryl Feld.

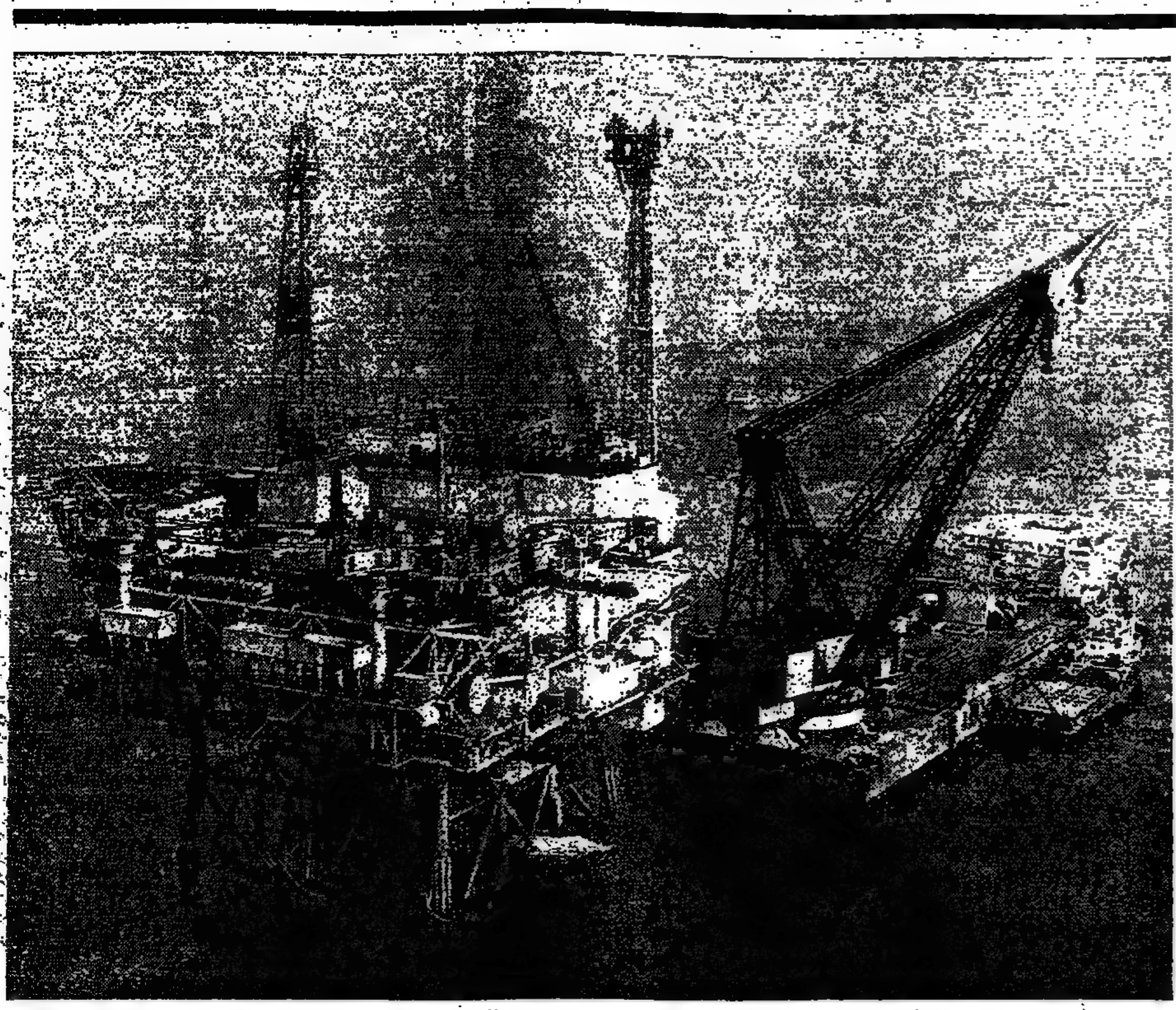
The present healthy state of the Euromarket suggests also that international banking syndicates will continue to play a traditional role—possibly in the area of project finance where loan repayments are geared to estimates of revenue that will be yielded by the project being funded. Also largely in the banking arena, it is thought that the major companies such as ICI and BNOC, through raising money on the strength of their corporate balance sheets, will be able to meet around 70 per cent. of the total U.K. sector North Sea funding needs until 1980.

For the rest, Government assistance must be of major importance either through direct purchase of oilfield interests such as in Burmah's stake in Ninian or through giving guarantees to banking loans made to smaller development companies as was the case with Tricentrol's interest in Thistle. A further, though

CONTINUED ON NEXT PAGE

هكذا من الأصل

OFFSHORE EXPLORATION XIII



Another aspect of the North Sea—insurance coverage of the very expensive equipment needed for exploration and production. This is the FA production platform on BP's Forties Field, with a crane barge alongside.

High risks for the insurers

HE INSURANCE industry—ot just the U.K. market but orld-wide—is having to cope ith vast risks in offshore xploration for oil. It has ianaged successfully so far ith the insurance of North ea exploration and development but it is now faced with he problem of dealing with the fifth round of licences, which ould involve insurance of xploration rigs and development platforms in the Western Approaches, areas off Cornwall nd Devon and the Celtic Sea.

In these areas, in addition to azardous sea conditions, oil igs will be operating in one of ie most congested sea lanes in ie world. Supertankers and urge ore carriers, bulk carriers nd general cargo ships throng ie Channel and, although there a directive by both the ritish and French Governents—supported by the Intergovernmental Maritime Consultative Organisation (IMCO), UN organisation—that there iould be a two-lane traffic stem, a number of "maverick" iips daily ignore this rule of ie road. An average 300 ships avigate the Dover Straits a ty.

Directive

Another directive, that ships iould avoid drilling rigs and atforms by at least 500 metres ill also be imposed in the hannel but there may be some iease about the effect of this rective following the success an oil tanker in the Channel itting a lighthouse and an e-carrier.

Nevertheless, leading insurice brokers do not foresee, hen licences are issued for the estern Approaches and the hannel, that premiums should any more penal than those iling in the North Sea.

In London, insurance of offshore exploration rigs and production platforms in the North Sea is dealt with by a handful of specialist brokers, headed by Sedgwick Forbes, Bland Payne, Bain Dawes and Hogg Robinson. The amounts involved in insurance of exploration rigs and development platforms, however, are so high that even the combined British insurance market—Lloyd's and the companies—has not been able to accept the full risks.

Brokers and underwriters involved in North Sea oil development have had to reinsure part of the risks in the European, Japanese and U.S. markets, said a leading British broker. "We are re-insuring throughout the world." It is an indication of how high the values are on even a single risk that the London market finds it necessary to reinsure. Normally the reverse is the case with the world, including the U.S., coming to Britain to reinsure, or hedge-off in betting parlance.

One broker, commenting on the fifth round of licences, said he did not think that, when awarded, they would create a new problem in navigational terms. The main anxiety for the insurance industry was the soaring cost of drilling and of fixed structures, particularly development platforms.

"Fixed structures—concrete—last year cost about $425m. in the North Sea. To-day they would cost about $800m. and their replacement cost in two-and-a-half years time would be about $1,200m.," he said.

Insurance premiums on oil exploration rigs and platforms are considerably higher than on shipping so far as the North Sea is concerned, and despite the occasional disaster the insurance industry has made a reasonable profit.

The industry, it is understood, has had no approaches from the oil companies about the fifth round of licences. "When they are awarded and when the specific areas are known to us we will have the usual headaches over the premiums," commented another broker.

In London six underwriters comprise the Drilling Rig Committee which takes the biggest share of exploring insurance, but oil companies also take a share of risk in self-insurance in the exploring stage.

Apart from the hazards of drilling in the North Sea, premiums in most cases also include the dangers of "blow-ups" (pollution) and the possibility of shipping collisions. But it has been profitable so far.

Task

The size of the investment in North Sea oil development and the insurance involvement is impressive. British Petroleum's "Forties" field—the richest so far discovered in the U.K. sector—will eventually use four fixed steel platforms with an insured value, when completed, of about $1.2bn.

The task facing underwriters and brokers is illustrated by this problem of inflating costs. About 10 years ago a production platform in the Mexican Gulf had an insurance value of $4m. In the North Sea to-day a fixed platform, with all its installations, can be valued by insurers at over $550m. The extra hazard of operating in the North Sea, however, must be taken into consideration in making any comparison.

Linked with the British insurance industry in the offshore ventures is Lloyd's Register of Shipping—one of the world's major ship and engineering classification societies. Its approval, A100—or a similar certificate from its equivalent society in Scandinavia, Europe, the U.S. or Japan—is essential before insurance can be obtained from a first-class source.

Together with the other classification societies, Lloyd's Register inspects and classifies mobile drilling rigs, survey and supply vessels, diving systems, production platforms, and pipe-laying barges in addition to the inspection of oil and gas pipelines, offshore and onshore.

There is a "grey" area around some offshore development from the insurance industry's point of view with a few oil companies, complaining that insurance premiums are too high, carrying their own insurance. But it is understood that about 50 per cent. of the North Sea exploration companies have insured against pollution risks with the British industry.

The pollution factor will be even more important if oil is discovered in the Western Approaches, the Channel or the Celtic Sea with hundreds of miles of vulnerable holiday beaches and the tourist trade that is dependent upon them.

This factor was emphasised in September by a Government report which says there is a 50 per cent. probability of more than one offshore drilling rig or platform being hit by a "blow-out" by 1981. The report also forecasts that by the same year, clean-up organisations could be called out three or four times to deal with oil tanker spills, with one or two expected to be more than 135 tonnes. In addition, there could be four or five pipelines or platform spills each of more than 135 tonnes.

James McDonald

Finance

CONTINUED FROM PREVIOUS PAGE

dmittedly not much tried iethod, is for the Government contribute to the capital costs f development as part of a 51 er cent. participation deal.

The cost of the Burmah escue and other North Sea elated calls on Government inds, however, has lately led fears that the Government nd BNOC may be getting short f cash and that this puts limits n their ability to provide much iore financing assistance at ast in the short term.

Thus the spotlight has turned n the more novel developments iat have taken place this year articularly in relation to nancing the smaller concerns' orth Sea work.

Much interest, for instance, arrounded the $275m. financing package provided for the laymore field by the International Energy Bank and the epublic National Bank of allas. One hundred and eventy five million dollars went Occidental which has a 36.5 er cent. stake in the field and $100m. to Thomson North Sea with its 20 per cent. interest.

Of special significance was the fact that a syndicate of banks led by the Royal Bank of Canada also provided Thomson with a $40m. credit facility to be used for development costs either in the Claymore or the associated Piper field. Thus the more profitable Piper field was being used as collateral to a certain extent for the Claymore financing with repayments able to be made out of Piper's revenues if troubles arose in Claymore.

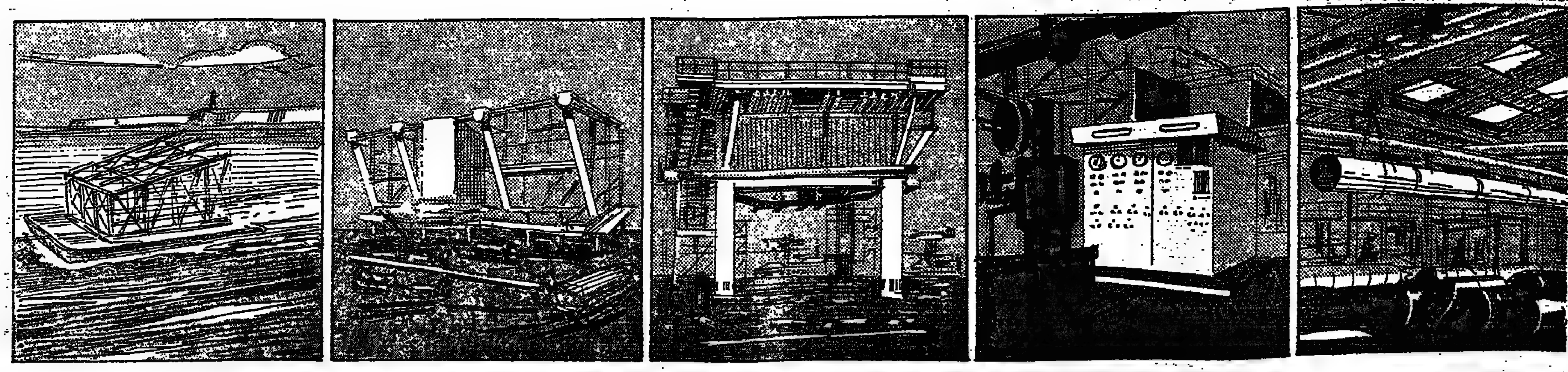
But possibly of even more significance to the prospects of financing developments of the smaller oil fields were the two unique steps taken during the year to test the City's willingness to take on North Sea investment risks. First came the issue of the London and Scottish Marine Oil and Scottish Canadian Oil and Transportation (LSMO/SCOT) oil production investment units and then the ingenious institutional Investment Syndicate formed by investment bankers, Charterhouse Japhet.

The LAMSCO/SCOT issue calling for some £76m. was designed to provide the bulk of the funds required for their share of the Ninian oil field development and was regarded as the first major test of the public's willingness to finance North Sea oil. The issue combined loan stock with oil production stock with the latter giving investors the rights to payments geared to the value of production from the oil field. The issues went well to the extent that they are now regarded as having helped to fill the gap left by the demise of gold shares in providing a hedge against falling monetary values.

The Charterhouse scheme meanwhile was specifically aimed at attracting direct support from such institutions as pension funds and life assurance companies who had shown a notably conservative attitude towards North Sea related investments in the past. The formation of an Investment Syndicate by such institutions is designed to provide the finance needed to help keep the second line North Sea development companies in business. The Charterhouse Group already had a 1 per cent. stake in the Thistle field and set out to "educate" other financial institutions into committing themselves similarly by subscribing at least £1m. each to the syndicate.

In 1976, such schemes have been regarded as more important as a testing ground for potential investor interest, the funds being raised through them at present being hardly of great significance in the wider context of the huge sums still needed for North Sea development. But their success so far has offered hope that the needs of the smaller developers, who claim some 400m. barrels of proven oil and who collectively are of considerable importance in the total North Sea programme, will not be neglected.

Pauline Clark



هكذا من الاصل

هكذا من الاجل

SOCIETY TO-DAY: PERSONAL SOCIAL SERVICES

BY JOE ROGALY

The most puzzling £1bn. we spend

E PERSONAL social services in a muddle. There is no of telling whether the £1bn. being spent annually on p for the disabled, meals on els, homes for the elderly infirm, taking children into e and most of the other ks that might be expected a large corps of "social kers" is too much, or too le, or about right but ngly managed. As a result ie of the most vulnerable ple in our society cannot be tected, or better served, or ced less wastefully: while Cabinet talks of public nding cuts it cannot really w what the just apportion-nt for the clients of social kers ought to be.

n one sense the decision has eady been made. Between 0 and 1975 expenditure on se services just about ibled, in real terms. The oruary public expenditure ite Paper provided for a elling-out from now on, with n a small decline between ril 1976 and April 1978. It uld be difficult for the more eamish members of the binet to accept a further sub-ntial fall in this admittedly tly item in the current round cuts — and, in any event, the vices are almost entirely ministered by the local auth-ties.

The question is: are they ciently administered? Two liefs prevail. The first is sed on the large increase in e number of social workers ice the new local authority cial services departments re first formed in 1971. At at time some 145,000 posts were filled, taking whole-time equivalents of part-time workers. Today the number of social workers is above 200,000; the transfer of hospital social workers from the NHS payroll to the local authorities in 1974 accounts for only a fraction of the increase. Nor has the growth yet come to an end — in the year to last June a further 4,500 posts were added in England and Wales alone.

This looks very much like the onward march of an unstoppable "industry," with perhaps little to show for it save the employment of a few thousand more well-meaning people in essentially useless jobs. The second prevailing belief contradicts this one. It is based on the knowledge that there certainly is a need for some social workers, and that when people are deprived of their services some of them suffer greatly.

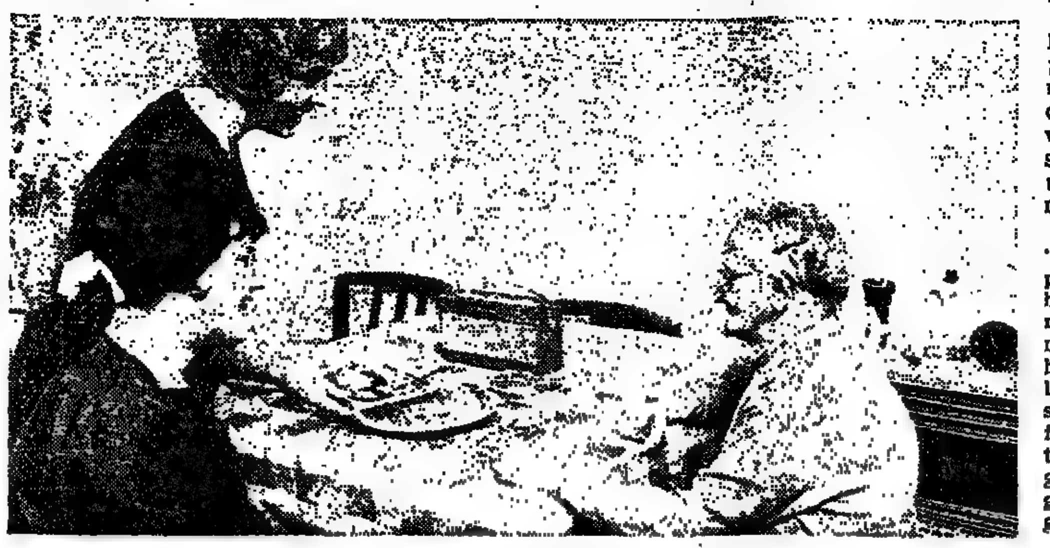
Anecdotes

I can vouch for the accuracy of both beliefs, from personal knowledge. Two anecdotes will illustrate what I mean. One—rather depressing—incident has to do with the commendable alacrity with which a council social service department sent a pair of social workers round to comfort an elderly woman whose husband had died on a Sunday night and who had to wait, alone with his corpse, until Monday morning for the arrival of the burial service. The trouble is that she did not want any strange young people with long hair to sit with her: she barred the door and shooed them away from the window.

The second anecdote is about a child whose demeanour, dress, and behaviour will tell anyone within a few minutes of meeting her that she comes under the definition of "deprived"—she is 11, and can be seen in old tennis shoes without socks, out in the present winter weather. She is suspected of truancy, and the explanation is that she is obliged by her mother to stay at home to look after her elder, backward, brother. The case cries out for a social worker, but none is in attendance because, for the time being, none is being employed in her immediate locality.

Those of us who support the notion of overall spending cuts must accommodate facts of this kind, and the way to do so, of course, is to urge that some effort be made to discover to what extent these single instances reflect the general position. That little girl ought to be helped, now. How many others are there, and how much of the £1bn. personal social services budget is having a direct effect on the well-being of such unfortunates?

Some idea of the need can be deduced from its counterpart —output. The two are not the same, but this is the best measure we have. There has been a fall in the number of cases attended by health visitors — from 5.1m. to 4.6m. between 1971 and 1975, but most measures of services for the disabled show increases: 22,000 assisted with telephones in 1974-75 as against 16,700 three years previously, help with TV licences quadrupled, to 16,000 households in the same period, and so on.



Meals on wheels service: possibly more money should be spent.

There are similar increases in the numbers of children admitted to care, the numbers of registered handicapped persons, residential and other services for the elderly and handicapped, and meals on wheels. Much of this increase is attributable to the growth in the numbers of elderly people, the children's services should at least in theory shrink, following the fall in the birth-rate.

On the other hand there is no satisfactory way of ascertaining whether statistics of this kind justify the explosive growth in the cost of the personal social services or not. Two-thirds of the cost is spent in wages and salaries, and on the consequences of that some new evidence appears today in the form of a book by Mrs. Phoebe Hall that describes the evolution of the present-day service.*

We need not follow Mrs. Hall back to the Poor Law to see that something has gone wrong. After 1945 the social workers in the children's department, together with others in health and welfare and care of the aged began to press for a new, professional status and a unified administration. The Seebohm Report gave them what they wanted: a new social service department in every council. This reorganisation was re-organised when the new local authorities were created in 1974.

"It seems to be a feature of large-scale mergers that officials, particularly senior officials, are rarely completely displaced," comments Mrs. Hall. "Posts were found for most of the senior officials with the result that many of the departments now seem rather top-heavy."

What is more, she comments, "in the past few years the problems of manpower have become particularly acute; with reorganisation many of the more experienced field workers have moved up the hierarchy leaving a dearth of qualified staff at the local level." On the face of it, it does not seem that those taxpayers who would genuinely appreciate help being given to deprived children are getting their money's worth.

The problem is, sadly, even worse than that. The social services departments have been given a number of new statutory duties. The Children and Young Persons Act, 1969 transferred work formerly done by magistrates (sending children to approved schools or remand homes) to local authorities. These, says Mrs. Hall, "have neither the staff to care adequately for the numbers of children allocated to them nor the residential accommodation necessary." The Health Services and Public Health Act, 1968, placed a duty on local councils to provide a home help service; the Chronically Sick and Disabled Persons Act, 1970, added the duty of ascertaining the number of disabled people, advertising the local services to them, and giving practical help and aid where necessary. This is a reform that for its first few years has been shelved by many councils as too costly.

Mrs. Hall lists several other points at which in her view the system is not working. Social workers are enabled to provide cash payments for families with children: apparently many of them resent this use of such public money, on the ground that the Supplementary Benefits Commission should do that particular job. "It is only one of several reasons for there being considerable hostility between the two agencies at local level," she writes.

Management

It seems plain that this is a muddle that can only be solved by going back to first principles. There is no clear, generally accepted idea of the role of the social workers as a paid agent of the State. Those who believe passionately in the service will point out, reasonably enough, that this is an area in which you cannot lay down objective criteria of need: local councils, managing local departments, must be left to judge who is disabled, or destitute, or deprived, and who is not. It would be possible to have greater faith in this response if local councils had in recent years shown a better management ability in other fields.

It would also help if someone a Government department, perhaps, or a commission of inquiry—could define the relationship between the role of the State-financed personal social services, the charities (Age Concern, Community Service Volunteers and the like) and simple individual good will. The Secretary for Health and Social Security, Mr. David Ennals, says that these organisations, including the social services "cannot do everything that is needed" so he is pursuing his national "Good Neighbour" campaign, complete with car stickers, advice on helping other people, and a quotation from "a Director of Social Services," which runs, "experience has taught us that it is the spontaneous good will of ordinary people which does most to relieve misery and distress. The lack of such concern has on occasion led directly to cold, lonely and avoidable death."

Mr. Ennals asks, "need I say more?" The answer is that someone ought to say a great deal more. The expensive social workers may be useful in many areas, but what of those who are not clear whether their job is to relieve distress or campaign to alter society, while taking society's wage packet? Charitable work is usually better-motivated, but it cannot be comprehensive any more than a "Good Neighbour" campaign.

I do not know the answers, but even in our confused society it should be possible to make better sense of this matter, which is surely at the very heart of the Welfare State. It is the kind of thing to which Labour politicians above all should be turning their minds, if they were not so preoccupied with the survival of an economy that their own policies, on top of Mr. Heath's, have done so much to put in jeopardy.

* Reforming the Welfare. By Phoebe Hall. Heinemann Educational Books, £4.50

Letters to the Editor

Expenditure on housing

om the Housing Director, elter.

Sir,—Your leader (Decem-r 3) on the cost of housing as strangely ill-considered. e argument had three strands. ou gave figures showing the st increase in public expendi-re on housing; you suggested at we now have as much ousing as we need; and you oncluded that investment on ousing should be substantially educed.

What is strange about this rgument is that the Financial imes should believe that invest-ent in housing has risen in al terms. If it had done, we ight expect to see vast numbers new and improved houses ming out of the pipeline. In ct, the number of units com-eted in the 1970s so far has en considerably lower than in evious years.

The result of this lack of in-stment in housing is that the mber of homeless has doubled nce Shelter began its work ten ars ago. There are 1.1m. milies on local authority wait-g lists and, although there is crude surplus of dwellings er households, after necessary cancies and second homes are ken into account, there is an erall housing shortage of about 0,000 homes. Nor is the fact at inflexible allocations stems and lack of money for provements has left some uncil dwellings difficult to let indication of surplus. The se for a new investment is inforced by the 1.8m. houses at are unfit for human habita-n or lacking in basic enities.

Yet it is true that expenditure housing has risen and it is ht to ask where those ormous sums have gone. In t, the money has gone on bsidies. In both major tenure ctors the gap subsidy (or tax lief) to support consumption s grown enormously at the pense of investment. In other rds, we are subsidising those o are already housed and creasingly failing to help those o remain in poor housing. e latter group is growing. The escription you suggest would disastrous for those people.

il McIntosh,
7, Waterloo Road, S.E.1.

Accounting for council homes

om Mr. R. Musgrave.

Sir,—On the question of the al cost of council housing, it is disputable, notwithstanding r. Campbell Jones's letter ecember 2), that conventional counting methods are totally sleading when they imply that nts only cover a minority of e cost of such housing. Any t of inflation accounting stem would show the "true d fair" view, namely, that nts cover a majority and per-ps all the cost (depending on e local authority concerned).

The question that I suspect s stumped Mr. Campbell and hers goes something like, The above is all very well, but cal authorities (or anyone who rrows money to buy a real set) must still pay out record gh rates of interest in hard sh, and this is a real and escapable cost."

The answer is that the cost both unreal and escapable. As the unreality, what appears be a cost — the payment of terest — is cancelled out by e erosion in the real value of e debt. As to how the debtor n escape, that is, get the hard sh to pay the interest, the answer is and this may sound absurd, "borrow the money with which to pay the interest." It sounds nonsense, but so long as the real value of the debt does not increase — or to be more precise so long as it declines in real value at the same speed as the asset depreciates—then the debtor has nothing to worry about.

In fact three years ago, when inflation looked like going through the roof, building societies devised a scheme whereby new mortgages *increased* in their initial years (but decreased in real value). The scheme was not put into effect because inflation did not rise sufficiently to justify the administrative cost of the scheme.

R. S. Musgrave.
24, Garden Avenue, Framwellgate Moor, Durham.

Litigation on patents

From Mr. E. Eder.

Sir,—A. H. Hermann (December 1), on the creaking U.K. legal system, castigates multinational companies for keeping High Court judges "out of action by endless cases . . . continued for years without regard for costs, until the contested patents expire."

Mr. Hermann is too glib. Patent cases involve a wide variety of litigants, not just multinationals, and all such litigants only keep going because large financial sums are involved —in one recent case damages suffered by the plaintiff were calculated at £1m. The total number of High Court judges appointed to deal with patent matters specifically is a mere two. It must be appreciated that in most patent actions the central issue to be decided resides in judging whether an alleged invention is obvious or not. This calls for close examination of technical matters upon which the judges must often be educated by counsel appropriately instructed. One cannot expect a judge to be an expert in all areas of technology, much less in a rapidly changing or developing technology where inventions are being made; and clearly it is unreasonable to expect a judge to assimilate in, say, a day or so the technological background leading to the invention which may well have been based on many years of the inventor's study and experience.

Nevertheless, the new U.K. Patents Act promised in the Queen's Speech may go some way to alleviate the High Court delays in patent matters (though not at some lower forum) since the pressures from Europe seem to have pushed us to accept that ultimately issues such as obviousness and inventive merit will invariably be settled by the Patent Office—even if it be the European Patent Office in Munich.

Ephry Eder.
63, Mayflower Lodge, Regents Park Road, N.3.

The outlook for executives

From The Chairman, Robert Lee International.

Sir,—Considerable publicity has been devoted recently to the ever-increasing numbers of unemployed executives and professional people—reported at 70,000 at the end of September with a forecast that no tail-off is in sight.

While these figures hide much individual misfortune and, in some eyes, compare favourably with the total of 1.2m. unemployed, the statistics for out of work managers, in my opinion, mask a more serious trend which could well totally change the accepted pattern of executive life and remuneration in the U.K.—and not for the better.

I think it must be accepted that there are still too many executives in many industries to-day. A good proportion of the surplus consists of survivors of the rapidly expanding business boom of the '60s when corporate staffs mushroomed and somewhat recondite specialist empires sprouted. It was a time when decentralisation was the current management vogue and executive musical chairs the order of the day.

To-day's harsh economic climate has put paid to the excesses of the past—certainly in private enterprise undertakings—and staff has been slimmed down and corporate layers that looked very impressive on the organisation chart have disappeared. This pruning is one of the obvious reasons for the growth in executive unemployment.

What industry is failing to realise, however, is that population trends will almost certainly cause unique problems in corporate recruitment, unemployment attitudes and salary structures in the relatively near future. In the next five years the post-war "baby boom" will be hitting the executive market with a rapid increase in the highly trained and experienced 30-34 year olds who should just be setting foot on the first rung of the executive ladder.

The chances of British industry—indeed, industry of any developed country—being able to absorb this large executive entry is remote. At the same time a smaller managerial pyramid will almost certainly cause a promotional slowdown among younger executives (another cause for dissatisfaction apart from semi-frozen salaries) and concurrently, early retirements will have been made more difficult by inflation. Together we get an almost total lack of managerial mobility.

In this situation, there is the strong possibility that the younger managers could affect salary scales adversely—accepting less than the rate to get on the "ladder"—thus causing middle-ranking job holders to feel threatened. This, combined with reduced promotional and financial prospects, could really give a managers' union the send-off it needs. Paradoxically, the executive surplus could also promote inefficiency, rather than competitiveness, for if executive mobility can be wasteful, so can the lack of it.

Lack of hope and scope can lead to falling performance through staleness—the work no longer enthuses the executive; familiarity with long-held or easily-mastered jobs breeds contempt—hence decisions being made hastily by executives who "know it all." We already know performance certainly tails off through waiting for "dead men's shoes." Executive life holds few satisfactions to-day, but the future may be even more bleak. Not only for the managers, but for the country.

Robert Arkle.
24, Berkeley Square, W.1.

Shopping from cages

From The Managing Director, Tesco Stores (Holdings)

Sir,—In your article on caging (December 1) certain references were made about my company's use of this method of merchandising and storage which were totally unfounded.

It was stated that as a traditional multiple we had introduced caging with dire results. The facts are quite the opposite. We introduced caging as an integral part of Irlam hypermarket (not superstore as stated), the largest store of its type in the U.K. when it opened, and the caging system here has been an unqualified success. I might add that this is a remarkable achievement, particularly as it was the first time we had used cages.

Our in-depth use of cages *means that some 400 lines are* delivered to the hypermarket already pre-priced and ready for storage on the shop floor. At 73,000 sq. ft. the size of the store is such that the stacking of cages up to five high (most are in fact four high) is easily accommodated as part of a carefully planned shopping environment and there is no evidence of the so-called "claustrophobic effect which disturbs shoppers" alleged in the article. On the contrary the store has enjoyed an increasing volume of trade and is attracting more and more customers. Inevitably at the busiest periods aisles between the cages can become congested but the assumption that this is the fault of the caging techniques employed is totally incorrect, rather that we had underrated how enormously successful the store would be in its first nine months of trading.

Caging has made a major contribution towards this achievement by helping to keep down labour and handling costs which are reflected in the very low prices and we are in the process of expanding its application in existing and new stores, such as can be seen at our Maidstone store which opened last month.

I should also point out that we have received magnificent co-operation from manufacturers and suppliers and this has played an important part in making caging a resounding success for everyone, not least our shoppers.

I. C. MacLaurin,
Delamare Road, Cheshunt, Herts.

Keep the pound down

From Mr. M. Buckland.

Sir,—In Samuel Brittan's article (November 25) he suggested that next year the pound may prove to be embarrassingly strong and speculated on whether the strength would be absorbed by a build up of reserves or a rise in the exchange rates.

Given that the Government is still seeking an export led recovery and that a devalued currency helps exporters, I would have thought that a higher exchange rate would be one thing the Government would not want.

The other thing the Government would not want would be to have to sell sterling to buy foreign currencies to keep the rate down and build up reserves. In the last six months the Exchange Equalisation Account has been buying a very weak pound with foreign currency reserves to the tune of about £700m. This sterling has been passed on to the Consolidated Fund to assist in financing the public sector borrowing requirement. To reverse this procedure would require the authorities to find that much from elsewhere to meet the PSBR.

As there is no one in office in this country who is experienced in managing an economy which is suffering from a strongly rising exchange rate I think it might be better if steps were taken now to see that the pound does not recover.

M. J. Buckland.
Racedale, Manuden, Nr. Bishop's Stortford, Herts.

To-day's Events

GENERAL

Cabinet again considers terms of letter of application for IMF loan.

U.K. balance of payments figures (3rd quarter).

NATO Ministerial Council meets, Brussels.

Sig. Guilio Andreotti, Italian Prime Minister, on visit to Washington.

Mr. Denis Healey, Chancellor of the Exchequer, speaks at Foreign Press Association lunch, Savoy Hotel, W.C.2.

Mr. John Methven, CBI director-general, addresses Industrial Society New Action lunch on "Future Role of the CBI," Quaglino's, S.W.1.

Financial Times two-day conference, Oil in Deeper Waters, opens at Birmingham Metropole. First-day speakers include Mr. Anthony Wedgwood Benn, Energy Secretary.

Offshore International Exhibition begins, National Exhibition Centre, Birmingham (ending December 10).

OECD working party ends two-day meeting on level of Japanese shipbuilding, Paris.

Mr. Brian Griffiths, London School of Economics, addresses Industrial Forum on "The Banks —*is there an alternative to* Nationalisation," Barrington House, Gresham Street, E.C.2, 12.30 p.m.

Unit Load Show opens, Wembley Conference Centre (until December 10).

European Machine Tool Merchants' Association lunch, London Hilton, W.1.

House Builders' Federation lunch and annual meeting, Connaught Rooms, W.C.2.

PARLIAMENTARY BUSINESS

House of Commons: Aircraft and Shipbuilding Industries Bill, committee, suggested amendments and third reading.

House of Lords: General Rate (Public Utilities) Bill and Town and Country Planning (Scotland) Bill, second readings. Debate on EEC report on VAT.

Committees. Expenditure Committee. Trade and Industry sub-committee on fishing industry.

OFFICIAL STATISTICS

Provisional figures of vehicle production and estimates of new car registrations (November).

COMPANY RESULTS

Bassett (George) Holdings (half-year). Kelsey Industries (full year). Ranks Hovis McDougall (full year).

COMPANY MEETINGS

Acorn Securities, Regis House, E.C., 2.30. EMI, New London Theatre, W.C., 11.30. Gomme *Holdings, High Wycombe,* 11. Kalamazoo, Birmingham, 11.30. Scottish Metropolitan Property, Glasgow, 11.30. "W" Ribbons, Winchester House, E.C., 12.

COMPANY NEWS + COMMENT

Whitecroft up 66% in first six months

AN INCREASE of 66 per cent. in pre-tax profit from £1.3m. to a peak £2.16m. is reported by Whitecroft for the six months to September 30, 1976 and Mr. E. G. Goold, the chairman, forecasts a record profit for the current year.

First half earnings per share are 11.6p against 7.4p adjusted for the recent rights issue and the net interim dividend is lifted from 1.77p to 2.33p on increased capital. Dividends totalling 7p have already been forecast for the year compared with 5.31p last year.

Treasury permission for the increases has been received.

	Half year 1976 £000	Half year 1975 £000	Year 1975 £000
Turnover	25,548	21,140	43,534
Profit before tax	2,259	1,362	3,088
Tax	1,125	676	1,591
Net profit	1,034	625	1,497
Minorities	19	9	4
Extraord. credits*	810	—	†651

* Surplus arising on repayment of debenture stock, less associated expenses. † Debits.

As forecast in the chairman's annual statement, the textile division has shown a marked improvement in profits during the half year and this continues. The building companies continue to be adversely affected by a shortage of orders but remain profitable.

Thomas Ryder and Son, the machine tool subsidiary, has made a substantial recovery during the past six months and has shown a break-even position in accordance with forecast. The remaining companies in the group have all operated successfully during the period, the chairman says.

● comment

Whitecroft's half-time news that it had more than made up last year's £371,000 downturn in textiles as well as turning in profits at machine tool makers Thomas Ryder, which had a £187,000 loss a year ago, was greeted by an 8p jump in the shares. Restocking of industrial cloths is a big factor in increased textile demand, which seems to be continuing into the second half, and TR has benefitted from sizeable British Leyland orders. The building supplies division is being held up through maintenance work but the contracting and civil engineering side, though still in the black, is suffering from the cutback in contracts throughout the industry. Still, the company should find it possible to make £4m. pre-tax at the year-end. At 84p the promised dividend yields 13.2p per cent., already covered 1.6 times by interim earnings despite the rights issue dilution, and the prospective p/e is 3.83, based on average capital.

INDEX TO COMPANY HIGHLIGHTS

Company	Page	Col.	Company	Page	Col.
Albright and Wilson	30	5	Lon. & O'seas Freighters	32	5
Beeston Boiler	33	6	Management Agency	30	2
Bishop's Stores	30	4	Myddleton	30	2
Bremner	33	3	Preedy (Alfred)	32	7
Caffyns	30	5	Safeway	32	5
Carclo Engineering	32	6	Scottish Northern Inv.	30	1
Cook (Wm.)	32	5	Shaw and Marvin	32	8
Greaves	33	3	Sime Darby	30	7
Guthrie	32	6	Star Offshore	30	7
Henderson-Kenton	32	5	Tricoville	32	8
Hestair	33	3	Turner and Curzon	30	3
ICI Australia	32	5	Wearra	30	6
Kleen-E-Zee	30	8	Whitecroft	30	1

Scottish Northern $3.5m. loan

Scottish Northern Investment Trust has arranged a loan facility of $U.S.3.5m. from Clydesdale Bank. The facility will extend for five years, with a rate of interest payable for the first year at 7½ per cent.

This borrowing replaces the five-year loan of £2m. at 7½ per cent. which fell due for repayment yesterday and has been repaid.

The loan will provide Scottish Northern with further flexibility in the operation of its substantial Northern American investment portfolio but does not affect the present distribution of its investments as between the U.K. and North America.

Second half downturn at MAM

AFTER A rise at half-time from £701,639 to £787,284, pre-tax profit of Management Agency and Music for the year ended July 31, 1976, fell from £1.86m. to £1.92m.

Stated earnings are 12.1p (12.9p) per 10p share. The unchanged final dividend of 3.25p net makes an unchanged total of 5.2p.

	1975-76 £	1974-75 £
Turnover	11,859,577	10,412,327
Share assoc.	17,178	17,509
Profit before tax	1,896,971	1,862,219
Taxation	1,042,171	1,031,232
Minorities	2,551	22,136
Extraord. debits*	161,129	16,972
Extraord. credits†	9,951	—
Attributable	746,561	971,213
Retained	487,666	343,501

* Credit. † Goodwill written off. ‡ Profit on disposal of trade investments.

● comment

MAMS' profits fell by 12 per cent. in the second half as the falling pound reduced income earned on American artists (like Sinatra) appearing in the U.K. But some profits shortfall was expected and the shares moved up 4p to 53p where the p/e is 4.1 and yield 16.1 per cent. After a year of negotiation, MAMS is expecting a year of production. Its main duo—Jones and Humperdinck, who produce over half its earnings—have just released new records in the U.S. that are beginning to scale the pop charts and will be released here soon. Meanwhile, the best that they can do with O'Sullivan is to release a Best Hits album. The hotels side is benefitting from the U.K. tourist boom with occupancy rates over 88 per cent. But the marina is no more than holding its own. Overall, the share ratings look about right for a company that shows no sign of emerging from its profits plateau.

Myddleton Hotels profit up so far

Mr. A. C. Hornsby, chairman of Myddleton Hotels said at the AGM that the trend in the number of visitors, turnover and profit for the first five months of the current year was satisfactory. Profit before tax was above the level achieved at this time last year.

He also reported that as result of the sale of the Sackville, Cumberland and Coburg hotels, borrowings have been significantly reduced, and with over £1.2m. on deposit, the financial position was stronger than it had been for some time and form a sound base from which to go forward.

Turner Curzon advance

TURNOVER for the half year to September 30, 1976 of Turner Curzon expanded from £36.9m. to £46.4m., and profit advanced from £255,000 to £317,000, subject to tax of £165,000, against £135,000.

The directors state they expect second half figures to be broadly in line with the first six months. Profit for the nine months to March 31, 1976 was £563,288, before tax.

The interim dividend is lifted from 0.2035p to 0.315p net per 5p share. The 1974-75 nine months' total was 0.3094p.

	Six months Sept. 76 £000	Dec. 75 £000
Gross turnover*	46,408	36,900
Group profit	405	349
Loan stock int.	88	83
Profit before tax	317	255
Taxation	165	131
Net profit	152	122
Interim	64	42

* Of which £42.85m. forest products division.

Mr. John Wakeham, the chairman says he is confident that the group is in a strong position to take advantage of every opportunity to continue progress in the industries in which the three trading divisions—forest products, distribution of capital equipment and manufacturing—are operating.

● comment

Turner Curzon's first-half profits are up by 24 per cent. pre-tax, but the comparability of the figures is apparently open to some doubt. The group reckons that the normal seasonal profits pattern in the previous year was exceptionally distorted and that the current year figures in fact show little growth over the corresponding profits. Of the three most important divisions, timber has been the only one to make any progress; distribution and manufacturing have done no better than stand still. The timber sector generally is now experiencing hard times, with its main customer, the construction industry, currently in sharp decline. However, the group feels that it has already felt the full impact of this depression and that its present contracted position is healthy enough to keep it moving ahead in the immediate future. With no restrictions to worry about, the prospective yield at 7p should be around 14.5 per cent., a return which the group should cover more than 21 times.

Bishop's Stores progress

SALES FOR the 28 weeks to September 11, 1976 of Bishop's Stores increased from £39.34m. to £50.77m. and pre-tax profit advanced from £0.69m. to £0.79m.

Although concerned at many cost increases largely beyond the directors' control, they are confident of a satisfactory result for the current year, says Mr. J. H. Bradfield, the chairman. Profit for the year to February 28, 1976 was £1.22m.

The interim dividend is raised from 1p to 1.1p net per 25p share. Last year's total was 2.1062p.

	28 weeks 1976 £000	1975 £000
Group sales	50,770	39,340
Profit before tax	792	684
Taxation	449	298
Net profit	343	386
Interim dividend	54	50

The 29 per cent. increase in sales indicates true volume has been increasing and keeping well ahead of inflation. Approximately 5 per cent. of the increase is due to businesses acquired during the half year, says Mr. Bradfield.

Profit before tax is shown after charging non-recurring expenditure approaching £50,000 a large part of which is due to the disposal of an unprofitable branch.

● comment

Adding back exceptional items, Bishop's Stores has returned a 21 per cent. profits advance on a sales increase of 29 per cent., taking in a fair amount of volume growth. Overall Bishop's has come up with a reasonable advance, even if margins have again come under pressure. The company's own retail operations have evidently had a successful first half, with profits benefiting from the closure of a loss-making store (there is an asset write-off within the exceptional item). Meanwhile the cash-and-carry business and VG wholesale operation have both shown increases and, with the more important second half shaping up to show further growth, Bishop's is sounding confident. The market seemed happy with the result, marking the Ordinary shares 4p higher at 137p and the non-voting shares up 3p to 47p where the prospective yields are 2.6 and 7.8 per cent. respectively, against a historic figure for food retailing of 7.1. Capitalised at £4m., Bishop's shares should hold steady relative to the sector, with the added speculation of Gateway's 12 per cent. stake in the voting shares.

COURTNEY POPE

Courtney, Pope (Holdings) has formed a new subsidiary called SAGELINE. The new company already has a significant order book.

Ashley Ashwood

Mr. Roy Cox, chief general manager of the Alliance Building Society—Britain's sixth largest—who yesterday announced his society's results for 1976 and said that assets had for the first time passed £1bn.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Attwood Garages	int.	0.61	—	0.61	—	1.45
Bishop's Stores	int.	1.1	—	1.0	—	2.11
Bremner	int.	1.0	Jan. 27	1.0	—	3.6
Caffyns	int.	1.7	Jan. 21	1.7	—	5.23
Carclo Eng'g.	int.	1.33	Jan. 31	1.21	—	2.44
Wm. Cook (Sheffield)	int.	0.55	—	0.55*	—	1.33*
Kleen-e-ze	int.	0.88	Jan. 10	0.38	—	3.48
London Asiatic	int.	0.44	Jan. 28	0.4	—	2.3
Lower Perak Tin	int.	7½(a)	Jan. 12	—	—	13(a)
Management Agency		3.25	Feb. 2	3.25	5.2	5.2
Alfred Preedy	int.	0.42	Feb. 2	0.42	—	1.28
Star Offshore	int.	2.8	Jan. 31	2.8	—	3.6
Turner Curzon	int.	0.32	Feb. 28	0.2	—	0.51(b)
Wearra Group		1.17	—	0.35	1.17	0.35
Whitecroft	int.	2.33†	Feb. 1	1.77	—	5.31

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Malaysian cents, gross figure subject to 40 per cent. Malaysian income tax. (b) For nine months.

Caffyns falls 11% at halfway

ON TURNOVER up from £12.6m. to £14.24m., pre-tax profits of automobile agents and engineers Caffyns for the half-year ended September 30, 1976, were £431,229, a fall of 11 per cent. from last time's £487,199. The profit is struck after depreciation, interest and contribution to pension fund £106,615 (£166,322).

The interim dividend is unchanged at 1.7p net per 50p share. Last year's total was 5.23p from profits of £827,000.

Tax for the half-year was £227,800 against £253,800.

The directors say that it was pointed out in the annual report that some exceptional circumstances contributed to the record result for the half-year to September 30, 1975.

In 1976 the company has not had the benefit of the British Leyland sales incentive scheme, and in fact the company suffered from an acute shortage of new cars. The low level of car stocks is reflected in the reduction of £84,648 in bank interest charges.

Albright to rebuild Long Harbour plant

Erco Industries (a subsidiary of Albright and Wilson) has decided to go ahead with rebuilding of No. 2 furnace at its Long Harbour phosphorus plant in Newfoundland. This furnace has not been in operation since May, 1975.

It will be rebuilt, incorporating the same design modification as No. 1 furnace, at a cost of about $2.5m. It is a furnace of the same size and rating as No. 1 and is planned to come into production in the third quarter of 1977.

Mr. D. W. Livingstone, managing director, commented: "our encouraging experience with prolonged trial of the rebuilt No. 1 has given us confidence to proceed similarly with No. 2. The morale of our work force at Long Harbour is high and further assurance of the future which our decision implies will be widely welcomed in Newfoundland."

With a secure and successful electrothermal phosphorous operation in Canada, the new "cleaned-up" wet process phosphoric acid plant at Whitehaven, and the phosphate derivatives plants around the world, Mr. Livingstone said, the company "is second to none in strength and flexibility in this competitive industry."

Recovery by Wearra to £0.24m.

PRE-TAX profits of footwear manufacturers and distributors Wearra Group recovered from £49,328 to £238,734 in the year ended September 30, 1976, and the dividend is stepped up from 0.35p to 1.17p net per 10p share.

At midway, reporting profits of £11,000 against £61,000, the directors forecast a significantly improved second half and a final dividend.

	1976 £	1975 £
Turnover	4,717,633	4,356,589
U.K.	3,833,539	4,059,067
Exports	893,064	497,522
Profit before tax	238,734	49,328
Tax	121,357	—
Net profit	117,377	49,329
Extraord. debits	—	45,799
Available	117,377	3,530
Dividends	48,500	14,000
Retained	68,877	†10,470

Figures for 1975 have been adjusted. † Loss.

Sime dispute—no Panel intervention

BY MARGARET REID

THE CITY Take-over Panel has declined to intervene in the dispute concerning the composition of the Board of Sime Darby Holdings, the large Far Eastern trading company where Malaysian interests are seeking increased representation.

In a statement yesterday, the Panel, which is headed by Lord Shawcross, said that the Take-over Code did not normally apply to a take-over of a company which is not resident in the U.K., even though such a company is listed on the Stock Exchange. Therefore it did not propose to assume jurisdiction in the case. Sime Darby is not resident for tax purposes in the U.K.

Kleinwort Benson, Sime Darby's advisers, had submitted to the Panel that the change in the composition of the Board sought by Rothputra Nominees (acting for the Malaysian State-owned Pernas) would result in Malaysian interests obtaining control of Sime Darby. Kleinwort further claimed that this would automatically carry control of three major subsidiaries of Sime with shares listed in London, Consolidated Plantations, Assam Frontier Tea and Sime Darby London.

Kleinwort also requested the Panel to assume jurisdiction in the case and require either that Pernas and its associates should make an offer for all the Sime shares or undertake not to press for their nominees to be elected in place of the existing directors. Alternatively, Sime asked that Pernas and its associates should not vote their shares in the forthcoming poll on Friday about the re-election of four British directors whose re-election has hitherto been blocked and the election of three new directors proposed by Rothputra.

In its decision, the Panel said it had found no evidence that any rule of the Code had been broken and, in particular, that it was not satisfied that a concert party (holders of different stakes acting together) existed in circumstances which would give rise to the obligation to make an offer to all shareholders. "Accordingly, without defining the circumstances in which jurisdiction would be exercised, it does not propose to assume jurisdiction in this case."

The statement added: "The Panel wishes to emphasise that it is always the duty of directors to act in the best interests of all shareholders, and not merely to consider the interests of, or be influenced by, those who may have secured their election."

Kleen-e-ze maintains recovery

THE RECOVERY achieved in the second half of last year has been maintained at Kleen-e-ze Holdings. Pre-tax profit, which slumped to £4,470 in the first half of 1975, reached £209,398 for the 28 weeks ended October 13, 1976, exceeding the total of £192,261 reported for 1975-76.

Sales for this Bristol-based brush and cleaning device manufacturer increased from £2.24m. to £2.99m. The tax charge was £108,887 (£2,324).

The results reflect improvement in profitability which developed in the second half of last year and the trend is being maintained, say the directors.

The interim dividend is raised from 0.375p net per 25p share to 0.875p, requiring £23,006 (£12,020) with Mrs. H. M. Crook, the chairman, having waived her rights. Last year's total was 3.475p.

Star Offshore up £0.43m. to top £1m. at midway

REFLECTING INCREASED profitability in all group activities, plus a tug sale of £214,000, pre-tax profit of Star Offshore Services, shipping and marine diving operators, advanced from £0.76m. to £1.19m. for the six months to September 30, 1976.

The net interim dividend is maintained at 2.8p net per 50p share. Last year's total was 3.6p from pre-tax profits of £1.31m.

	Six months 1976 £000	1975 £000
Shipping services	528	338
Diving services	757	148
Operating profit	915	486
Unallocated costs	113	63
Investment income	174	335
Surplus on disposal	214	—
Profit before tax	1,190	757
Minority interests	94	78
Commission*	72	—
Non recoverable ACT	177	133
Net profit	803	336

* Blue Star Offshore.

So long as the greater part of group trading is in and around the North Sea, the most active season is likely to be in the summer months, and a seasonal downturn in the winter is to be expected, says Mr. G. W. Searle, the chairman.

However, the continued growth of the group's operations, including the excellent results of its two diving subsidiaries, should prevent this seasonal downturn from being too severe this year and in the future, he adds.

Though the fall in the value of sterling is increasing the liability on overseas borrowings, now standing at U.S.$2.1m., 40 per cent. of income is being obtained in overseas currency, and the net effect in the current year's trading is likely to be favourable, Mr. Searle also says.

Referring to the diving services, Mr. Searle says that both Northern Divers and North Sea Diving Services are showing excellent increases in the volume of trade and have more than doubled their pre-tax profit for the six months.

Of the shipping services, Mr. Searle reports that six supply ships are on long-term charter. Star Pegasus, delivered in October and Star Aries, due in February next year, are not yet chartered on a long-term basis.

The diving support ship Star Pisces has now been delivered and chartered, while Star Arcturus, chartered to Lockheed Petroleum Services to support its sub-sea completion operations, continues to operate successfully.

Regarding the sterling loss on overseas borrowings, Mr. Searle says that this is being written off in accordance with group policies.

For a U.K. company, the currency exchange rates may provide better opportunities for overseas charters, he comments.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Div. Amount	Times covered	Gross Yield	P/E ratio
—	F.P.	—	£31⅞	£23⅛	Esmark $US1	£28⅝	−⅛	Q$1.50	—	3.0	—
—	F.P.	—	30⅞	25⅛	Utd. Technologies US$5	£30⅛	+¼	Q$1.20	—	2.5	—
—	F.P.	7/1	187	185	Willis Faber 25p	185	—	7.1	2.4	5.8	16.9

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price	+ or −
££994	£10	—	12¼	11⅛	Essex Water 9% Red. Pref. 1982	12¼	......
$US100			$98½	$98½	I.C. O'seas Finance 9% Guar. Bds 1983	$98½	......
$US100	F.P.	—	$101	$98½	Kunstlers Mek. 8% Guar. Notes 1983	$98½	......
KD100	F.P.	—	98KD	98KD	Korea Development Bk 8% Guar. Bonds 1976-83	98KD	......
$US100	F.P.	—	$100	$98	Midland Int. Fin. 8% Guar. Bds 1986	$98½	+⅛
	F.P.	1/12	71	70	Newman Inds. 10% Cum. Pref.	71	+1
$c100	F.P.	—	$c99¼	$c99	Nova Scotia (Prov. of) 9% Db. 1983	$c99	......
$US100	F.P.	—	$100	$99	Polymer 9% Deb. Series 'D' 1986	$99	......
$US100	F.P.	—	$99½	$98	Sth. of Scotland Elec. 8½% Guar. Notes 1983	$99	......
$US99¾	F.P.	—	$99½	$98	Sodra Skogsagarna 9½% Guar. Bds. 1986	$98	......
£1294	F.P.	7/1	96	94½	Tendring Hundred W'wks 9% Red. Pf. 1981	95	......
$US100			$96½	$96½	Urquijo Intl. Guar. Float. Rates Notes '81	$96½	......
—	F.P.	7/1	69½	71	Willis Faber 7% Cum. Pref.	71	......

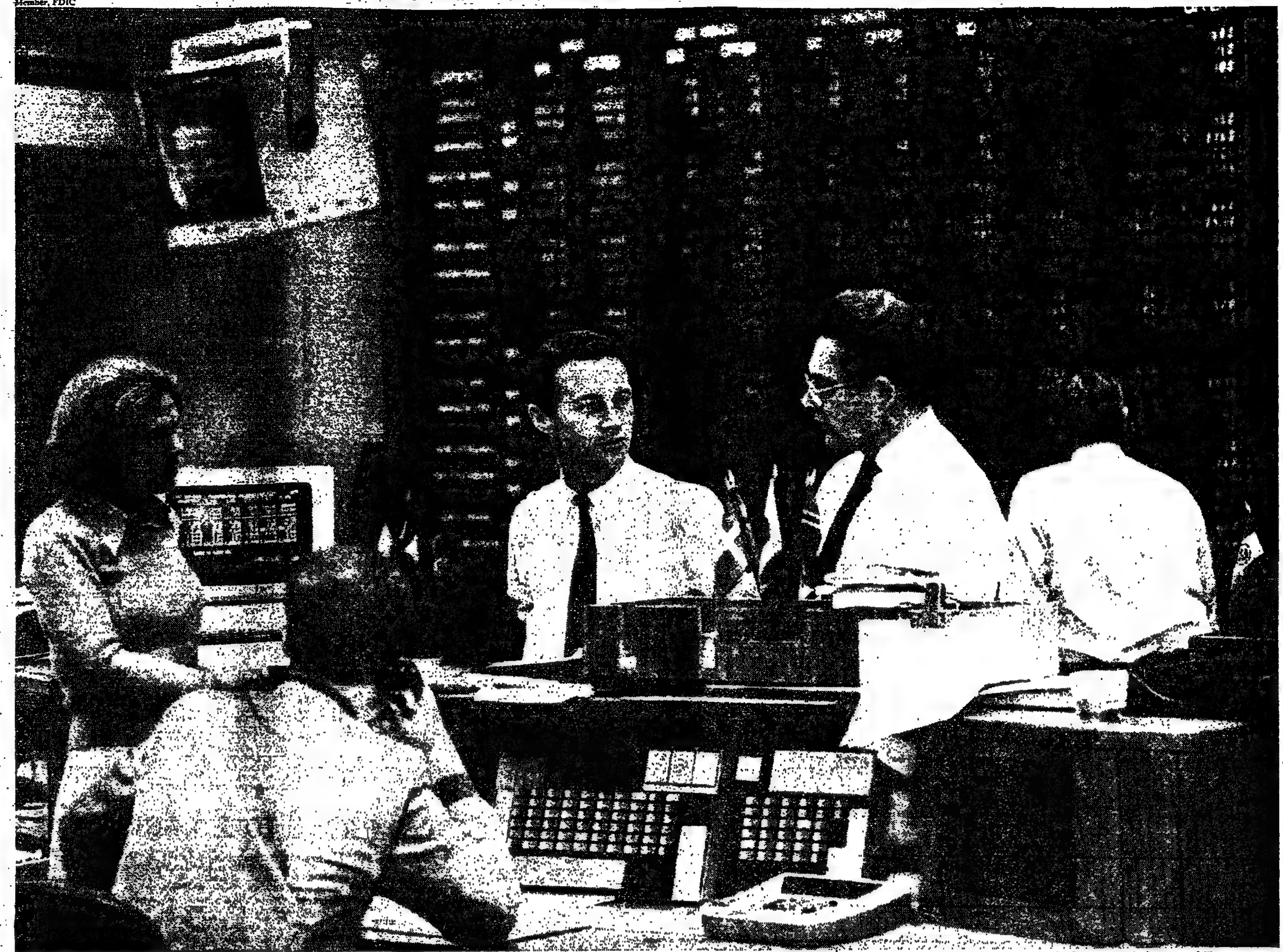
"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date		1976 High	1976 Low	Stock	Closing Price p	+ or −
54	Nil	10/12	28/1	15½	4	Assoc. Engineering	13½pm	+½
$A4	$A2	—	3/12	6th	375	Bowen Hill Properties	400	+10
62	Nil	20/12	10/1	16	5	Chloride Group	16	......
11	F.P.	6/12	7/1	14	11½	Gray Electronic	14	......
25	F.P.	24/11	11/12	32	9	Fairbairn Lawson	31	......
124	F.P.	1/11	17/11	158	119	General Accident	138	+1
100	F.P.	29/10	10/12	130	101	Howden (Alexander)	128	+2
$A1.75	F.P.	6/12	17/12	210	123	National Bank of Australasia	190	..
$A1.20	F.P.	15/6		197	122	Western Mining	155	+6

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend; cover based on previous year's earnings. u Figures based on prospectus or other official estimate for 1976. Q Gross. r Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ♣ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‖ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ● Issued to former Preference holders. ■ Allotment letters (or fully paid). • Provisional or partly-paid allotment letters. $ With warrants. ♣ After suspension. KD Kuwait Dinar.

هكذا من الاصل

Member, FDIC



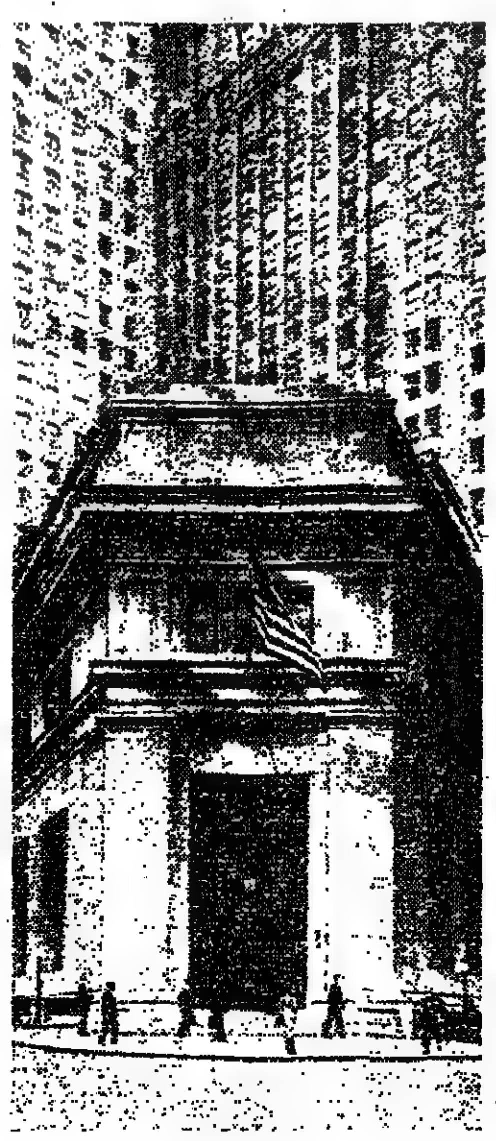
Shown in Morgan's New York headquarters, Senior Vice President Dennis Weatherstone (centre) heads Foreign Exchange and Euro-currency Trading. Vice President Robert Van Roten (right) is chief foreign exchange trader in New York, Vice President Nancy Shaw runs the Euro desk.

For foreign exchange service by a major market-maker, consider Morgan Guaranty

Companies doing business internationally need first-class foreign exchange service to help them manage their currency exposure around the world. Whether it's profits from sales or income from investments, protecting your overseas earnings can be as important as making them in the first place. For this you need a bank with the financial resources and the skills to be a market-maker in all the important currencies.

Morgan Guaranty makes markets. In New York or ten other cities around the world our foreign exchange specialists are trading somewhere virtually 'round the clock—from the opening in London to the close in Tokyo. These experts know money conditions and exchange regulations in more than a hundred countries. As major buyers and sellers they can spot trends and alert customers to fast-moving market developments. Because they understand your exchange problems, they can relate your needs to what is happening in the markets.

In foreign exchange, timing is crucial. That's why we have our own intercontinental telephone hotline that keeps our traders everywhere in touch with all the markets. For example, our New York traders start talking to key European centres like London, Paris, Frankfurt, Zurich, Milan at 5 a.m.



Our foreign exchange specialists do more than trade currencies. They advise you on the arbitrage opportunities offered by investment in local money markets or the Euro-market. Using information that is updated continuously by computer and displayed on individual video screens, they can put your funds to work with the combination of risk and return that suits your needs.

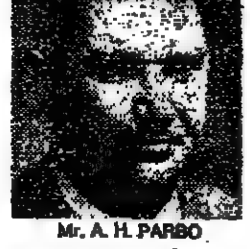
This is part of the complete international banking service provided by Morgan Guaranty, one of the world's most active banks in foreign exchange. If your company needs this kind of service, consider Morgan Guaranty. You'll be in good company.

MORGAN GUARANTY TRUST COMPANY, 23 Wall Street, New York, N.Y. 10015; IN LONDON: 33 Lombard Street, E.C. 3; 31 Berkeley Square, W.1 • BANKING OFFICES: Paris, Brussels, Antwerp, Amsterdam (Bank Morgan Labouchere), Frankfurt, Düsseldorf, Munich, Zurich, Milan and Rome (to open in early 1977), Tokyo, Singapore, Nassau • REPRESENTATIVE OFFICES: Madrid, Beirut, Sydney, Hong Kong, Manila, São Paulo, Caracas • INTERNATIONAL BANKING SUBSIDIARIES: San Francisco, Houston • Incorporated with limited liability in the U.S.A.

Morgan Guaranty-the corporate bank

WMC

CHAIRMAN'S ADDRESS TO SHAREHOLDERS



Mr. A. H. PARBO

Shareholders who attended the 43rd Annual Meeting of Western Mining Corporation Limited in Melbourne on November 18th, 1976, were informed by the Chairman of Directors, Mr. Arvi Parbo, that:

- at present over 90% of the Company's revenue was from nickel.
- the Kalgoorlie nickel smelter was being expanded.
- the Company's search for copper had resulted in the discovery of a very large body of copper mineralisation in South Australia.
- WMC was increasing its petroleum exploration effort.
- plans for the development of the Yeelirrie uranium project depended on Government policy and market considerations.
- gold production was profitable at Central Norseman, but uneconomic in Kalgoorlie and at Hill 50 under present conditions.

Mr. Parbo said that the world had passed through what was recognised as the deepest economic recession since the 1930's. During the second half of 1975/76 there were signs that an economic recovery had begun, particularly in the USA, but markets for most metals and minerals, including WMC's products, remained depressed. Depressed markets, high costs and an over-valued Australian currency had resulted in a decrease in profit for the year from A$14.4 million to A$11.8 million.

NICKEL: Production and purchases of nickel in the year under review, at 47,800 tonnes, were at record level.

Sales had been maintained at 39,000 tonnes through substantial spot sales of matte.

Stocks at the end of the year were twice normal requirements, but stockpiling of excess production was considered preferable to reducing output as it maintained maximum efficiency in operations and avoided retrenchments.

Since the end of the year WMC's joint venture partner in the Windarra project had applied to its major creditor, the Australian Industries Development Corporation, for the appointment of a Receiver. The A.I.D.C. had recently announced it would consider assuming an equity role in the venture and in the meantime would continue providing the Receiver with the funds required to develop and operate Poseidon's share of the project.

The Company welcomed arrangements which enabled operations at Windarra to continue normally, whether through action taken by the Australian Industries Development Corporation, or by other interested parties.

The nickel smelter had operated very satisfactorily. It had been recently agreed that, commencing in 1979, WMC will toll treat up to 100,000 tonnes per year of concentrate to be produced from the nickel mine under development by Western Selcast (Pty.) Limited and Mount Isa Mines Limited, at Agnew, Western Australia.

For this purpose work had commenced on a new flash furnace capable of treating 450,000 tonnes of concentrate per year without the addition of oxygen in the furnace air. The Agnew joint venturers would provide $20 million of the estimated $30 million cost of the new furnace and auxiliary plant.

It was estimated that with the addition of oxygen, the ultimate capacity of the new furnace would be more than 800,000 tonnes of concentrate feed per annum.

The Kwinana refinery capacity had been expanded to 30,000 tonnes of metal per annum and the ammonia plant commissioned.

GOLD: Due to exploration success in finding high grade ore, Central Norseman Gold Corporation N.L. (50% owned) made a profit of $A1.5 million in spite of the low gold price, increasing costs and adverse currency parity. Proved reserves of high grade ore were sufficient for about 3 years' production.

Kalgoorlie Mining Associates (11% owned) and Hill 50 Gold Mine N.L. (38% owned) were uneconomic under present conditions. The Hill 50 mine at Mount Magnet had been placed on a caretaker basis.

It was expected that the Mount Charlotte mine, the last operating mine at Kalgoorlie, would cease production before the end of 1976.

The cessation of gold production in Kalgoorlie, said Mr. Parbo, was a matter of deep regret as it marked a milestone not only in the history of WMC, which had been active in the area since its formation, but also in an important industrial activity in Western Australia. The effect of this on the community in Kalgoorlie had been lessened by the discovery of other minerals in the district in the last 10 years.

MINERAL SANDS: Reporting on the Company's mineral sands project at Jurien Bay (W.A.), Mr. Parbo said this had suffered from commissioning and production problems and from very depressed markets for rutile and zircon. Additions to the plant, to overcome production limitations had now been completed and the equipment was being run in. Substantial stockpiles of semi-processed material had accumulated and it had been decided to re-treat these instead of processing additional newly mined material during the remainder of the financial year, until the market outlook became clearer.

It was estimated that the market value of the production from now on would cover operating costs, although charges for depreciation and amortisation were likely to result in an accounting loss in 1976/77.

ALUMINIUM: WMC had a 20% shareholding in Alcoa of Australia Limited and received a dividend of A$1.65 million during the year.

The fifth unit at the Pinjarra alumina refinery was completed, lifting Alcoa's total refining capacity to well in excess of 3 million tonnes per year and making it one of the largest alumina producers in the world. Demand had strengthened in 1976 and this satisfactory position should continue into 1977. Dividends from Alcoa should increase.

URANIUM: Preparatory work on the Yeelirrie uranium deposit re-commenced early in 1976, including review and refinement of pilot plant designs, environmental studies, investigations into water supply and service facilities, and review of earlier feasibility work.

Plans for the development of the Yeelirrie project could not be finalised until the Government's policy was known and commercial discussions had advanced. Market considerations, however, suggested commencement of production in the early 1980's at a production rate between 2,000 and 3,000 tonnes of yellowcake (U_3O_8) per year.

COPPER: Following development of new theoretical concepts, bold exploration was undertaken in a previously unexplored and totally concealed area of South Australia in the vicinity of Andamooka. The first hole drilled in this area at the Olympic Dam prospect on Roxby Downs Station located copper mineralisation.

It was reported in the Annual Report that four vertical diamond drill holes near Roxby Downs had intersected copper mineralisation at a depth of about 350 metres below the surface. The holes were spaced over a distance of about 1.5 kilometres and intersections varied from 8 to 92 metres at a grade of approximately 1% copper.

A further hole, now in progress, was being drilled within the area covered by the previous four holes. This hole had to date intersected 169 metres of mineralisation starting from 348 metres below the surface. The upper 88 metres of the hole, for which accurate assays were available, averaged 2.41% Cu, including 15 metres at 3.42% Cu, and 10 metres at 4.36% Cu. Provisional assays for the next 80 metres indicated an average grade of 1.9% Cu. The hole was still in mineralised material at a depth of 517 metres. It was clear that a very large body of copper mineralisation had been discovered, but a great deal more drilling was necessary to establish the extent and grade of the occurrence.

PETROLEUM EXPLORATION: WMC believed that the time was appropriate for the Company to put more effort into petroleum exploration.

Recent Government decisions to apply world parity price to any new discoveries and to permit deduction of petroleum exploration expenditure from other income for tax purposes had established an improved economic basis for oil and gas exploration, although re-instatement of call deductions formerly available to shareholders on moneys actually expended on petroleum exploration would materially assist in financing such exploration.

During 1976 new prospecting areas were acquired in the Surat Basin in Queensland, and in the Abrolhos Basin off the coast of Western Australia, the latter in a 50-50 joint venture with Esso Exploration and Production Australia Incorporated.

In the Abrolhos Basin a seismic survey commenced in October and was expected to be completed before the end of 1976. Depending on the results, one or more wells will be drilled during 1977.

In the Padirka Basin a follow-up seismic survey was almost complete. While the evaluation of results will take until early 1977, attractive drilling targets had already been outlined. On present plans two wells will be drilled in this area before the end of the financial year.

FUTURE OUTLOOK: Mr. Parbo said that the world economic recovery which had commenced earlier in 1976 had slowed down, and it now appeared that difficult market and business conditions would continue into 1977.

Western world production of nickel was still higher than consumption and there were substantial excess stocks. In January 1977 the US Congress would be asked to appropriate funds for a major strategic metal stockpiling programme, including approximately 200,000 tonnes of nickel over the next 3 years. If approved, this programme would absorb over a period the present Western world excess nickel stocks, which were estimated at less than 200,000 tonnes.

The Company's surplus stocks were expected to increase slightly during the first half year. The after-tax profit for the first half should be similar to the profit in the first half of 1975/76. Present indications were for some improvement in the profit in the second half.

Mr. Parbo said that at last year's Annual Meeting he concluded that the outlook was uncertain. This year it was still not possible to be optimistic, but there were expectations of a slow improvement in conditions, both overseas and in Australia, during 1977.

IS/108

'Lofs' £2.96m. surplus on sale of ships

INCLUDING a surplus on disposal of vessels of £2,963,000 (nil) and after a loss on shipowning of £374,000, against £380,000, group trading profit of London and Overseas Freighters amounted to £4,754,000 for the half year to September 30, 1976, compared with £3,058,000 for the corresponding period a year earlier.

Profit on shipbuilding was down from £2,136,000 to £1,445,000. The second half should see the completion of certain ships ordered in 1973 at fixed prices which did not encompass increases in costs of the magnitude experienced since that time. Despite the losses which will be incurred on these contracts, the outcome of the six months to March 31, 1977, is expected, in the absence of unforeseen circumstances, to increase the profit for the year to a figure of the order of £2m., it is stated.

Profit attributable to LOF for the half year was £2,526,000 (£2,197,000).

Trading profit, excluding Austin and Pickersgill but including a dividend from that source of £782,000 (£500,000), was £3,709,000 (£762,000) and attributable profit was £1,481,000 (loss £99,000).

For the year to March 31, 1976, group attributable profit was £2,050,838 (£9,157,117) and excluding A and P it was £1,673,037 (£5,521,018).

	Half-year 1976 £000	1975 £000
Shipowning loss	374	380
Shipbuilding profit	1,445	2,136
Surplus disposal vessels	2,963	—
Interest receivable	970	1,302
Total profit*	4,754	3,058
Losses currency loans†	316	—
Interest payable	1,065	1,038
Minorities	428	130
Share assoc. losses	387	247
Attributable	2,526	2,197

* After depreciation on shipowning £1,636,000 (£1,700,000), shipbuilding £32,000 (£111,000) and after construction grant nil (£37,000). † Realised losses on repayment foreign currency loans. ‡ Profit.

By reason of capital allowances available it is unlikely that any liability to tax will arise in respect of the year to March 31, 1977, it is stated.

Regarding the realised losses on repayment of foreign currency loans, it is pointed out that if the dollar loans of the group (including associates) were to have been repaid on September 30, 1976, at the rate of $1.661 to the £ then ruling, the cost attributable to the group would have been £7.6m. more than the book figure.

The group's two 138,680 dwt tankers were recommissioned in July and, together with a sister-ship in which LOF has a 50 per cent. interest, are currently earning sufficient to cover their operating expenses, excluding depreciation and interest.

Four vessels were sold during the half-year. Additionally, contracts were entered into covering the sale of a further seven ships, four of which have been delivered since September 30, 1976. The remaining three are due to be handed over during the next six weeks.

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims:—Bambergers, George Bassett, Birmingham Mint, British Building and Engineering Appliances, Carlton, Capel and Leonard, Castings, Chapman and Co. (Balham), Churchbury Estates, Harold Ingram, John J. Lees, May and Hassell, B. Paradise, Standard Chartered Bank, Stonehill.

Finals:—Bank Bridge, Cronite, Elson and Robbins, Kelsey Industries, N.S.S. Newsagents, Nottingham Brick, Ranks Hovis McDougall, Tilley Lamp, John Williams of Cardiff.

FUTURE DATES

Interims:—	
Arlington Motor	Dec. 16
Armitage Shanks	Dec. 8
Austin (E.) (London)	Dec. 15
Batleys of Yorkshire	Dec. 17
Caird (Dundee)	Dec. 9
Clarke Nickolls and Coombs	Dec. 16
Distillers	Dec. 16
Dorman Smith	Dec. 10
Giltspur	Dec. 20
Hall (Matthew)	Dec. 16
Inch Kenneth Kajang Rubber	Dec. 14
Initial Services	Dec. 15
Kennedy Smale	Dec. 16
LRC International	Dec. 8
Milbury	Dec. 10
Wagon Industrial	Dec. 8
Weston-Evans	Dec. 13
Finals:—	
Burton	Dec. 16
Hunslet	Dec. 17
Keystone Investment	Dec. 14
Martin the Newsagent	Dec. 13
Stenhouse	Dec. 13

They state that, although some companies in the group are still short of orders, overall the order book is higher than this time last year and they remain reasonably confident that they will be able to report an enhanced profit for the year as a whole.

	Half-year 1976 £000	1975 £000
Sales	3,626	3,288
Interest	16	20
Pre-tax profit	381	325
Taxation	201	169
Minorities	4	3
Extraord. debit	4	*8
Retained	112	165

* Credit.

The profit figure has been reduced by £19,000 as a result of the devaluation of the Australian dollar.

Carclo up to £0.38m. at midway

HALF-YEAR to September 30, 1976, pre-tax profit advanced from £325,000 to £381,000 for the West Yorkshire based Carclo Engineering Group. Sales were higher at £3.63m. (£3.29m.).

Earnings per 25p share improved from 3.7p to 4.3p and the interim dividend is raised to 1.3271p net (1.2065p). Last year's total payment was 2.4386p from profit of £608,000.

The directors expect that the maximum permitted final dividend of 1.3553p will be paid for the current year.

A. Preedy down at halfway

WHOLESALE AND retail tobacconists Alfred Preedy and Sons reports a decrease in pre-tax profits from £227,630 to £204,683 for the half year to September 25, 1976, but Mr. H. L. Preedy, chairman, says trading at the beginning of the second half has already shown a big improvement.

At £21.05m., turnover exclusive of VAT is up by 17.5 per cent.

The net interim dividend is again 0.416p per share absorbing £26,208. In 1975-76, the total was 1.27975p from pre-tax profits of £845,532.

Mr. Preedy says sales in bigger retail branches, particularly those in covered shopping centres, were hit by the long hot summer; but results were in line with his warning of limited progress in his annual statement.

	26 weeks 1975-76 £	1974-75 £
Turnover†	21,050,118	17,908,575
Trading profit	202,581	225,395
Investment income	2,102	2,235
Profit before tax	204,683	227,630
Tax	127,372	138,887
Net profit	77,311	90,643
Minorities	1,407	938
Attributable	75,904	89,165

† Excluding VAT.

ACCOUNTS DELAYED

The accounts of The Clifton Investments and Bridgewater Investment Trust for the year to March 31, 1976, have been delayed by the management reconstructions and will be considered at Board meetings on December 8. It is hoped to hold the AGM towards the end of January.

Further growth at Tricoville

A "FURTHER real increas[e in] earnings" for the current ye[ar is] forecast for Tricoville, whi[ch de]signs, produces and ma[rkets] fashionwear, by Mr. D. A. Ja[cobs,] chairman, in his annual [state]ment.

Notwithstanding the pr[esent] dismal economic outlook [for] the country he is confident that the group's "excellent [grow]ing record will remain [unim]paired."

As known, Tricoville's pro[fit for] the year to July 19, 1976 w[as up] from £373,903 to £462,432 [before] tax of £212,379 (£198,011). [This] is an unbroken profits rise [for the] sixth year as a public co[mpany] and fifteenth year of exis[tence.] Turnover improved from £[...] to £6.09m.

Referring to the difficult p[ast] year and problems arising [from] the impact of sterling dep[recia]tion on imports, Mr. Jacob[s re]ports that the manageme[nt has] made serious efforts to ob[tain a] higher proportion of prod[uction] in the U.K. and has met [with] some measure of success.

Unfortunately lack of p[roduc]tion capacity of British ga[rment] manufacturers coupled with [some]what unreliable delivery da[tes from] certain suppliers is h[ampering] restricting Tricoville's effo[rts to] increase domestic producti[on.]

Jonathan Miller (Internat[ional)] —in which Tricoville has a [...] cent. interest—produced a[n] overall profit in the year a[nd Mr.] Jacobs is confident that [in the] current 12-months this co[mpany] will make "a more wort[hwhile] contribution to the earnin[gs of] the group."

Miller's turnover push[ed] group turnover at a great[er rate] than profits "which explai[ns why] our profits as a percenta[ge of] turnover have declined," b[ut] "I should, however, expect this percentage show som[e im]provement in the current [year."]

Measures to guarantee [the] country's economic surviv[al and] future prospects must [include] rigid control of the money [supply,] a real reduction in public ex[pendi]ture and a substantial incr[ease in] indirect taxation, but he [looks] forward to greatly improve[d busi]ness conditions by 1978.

Since becoming public earnings per share have in[creased] by about 230 per cent., the [chairman] adds.

Meeting, Winchester [House,] E.C.2, January 11, at 12.30.

Shaw & Mar[vin] improves in first half

Pre-tax profit of merc[erisers,] dyers and manufacturers o[f knit]wear, Shaw and Marvin, inc[reased] from £334 to £26,168 in th[e half] year to September 30, 197[6 and] is in excess of the £19,877 f[or the] year to March 31, 1976.

Earnings per 10p share f[or the] six months advanced from [...] to 0.84p and an interim di[vidend] of 0.35 net is declared. Las[t year] a single payment of 0.5[...] made.

The improvement in [profit]ability achieved in the ha[lf year] is still being maintained, b[ut con]sidering the uncertainties [...]

Safeway Stores ahead to £3.4m.

SALES of the U.S.-owned supermarket operators, Safeway Food Stores, expanded by 24 per cent. from £120.91m. to a record £149.89m. in the year ended October 2, 1976.

Pre-tax profit increased by 26.5 per cent. from £2,685,053 to a peak £3,395,524.

These increases were achived with the addition of one new store and the closure of two stores in Leeds and Leicester. An additional store was opened in Late October, bringing the current total to 52.

Mr. Terence E. Spratt the chairman and managing director, comments that the results fully justify the policy adopted during the year of consolidation and concentration on increasing efficiency in all areas of the business.

He feels confident that this continuing emphasis, taken together with major remodels and extensions of existing stores and the new stores programme, will expand sales and profits considerably during the current and following years.

Guthrie closes French subsidiary

Guthrie Corporation announces the closure of its French subsidiary Texac SA (formerly the Weill division of Guthrie Industries Europe).

Texac with operations in Armentieres and Dunkirk, produces poly-propylene and polyethylene products, mainly for the agricultural packaging industry. It also has jute spinning facilities.

In reporting a pre-tax profit of £8.6m. for 1975 Guthrie disclosed that Texac along with the British carpet division accounted for the "largest losses" in Guthrie Europe's deficit of £4½m.

These operating losses have continued into 1976, and in the absence of a long-term prospect of viability, Guthrie says there is no alternative to closure.

The terminal loss on closure, which will be substantial, will be provided in full in Guthrie's 1976 accounts.

Guthrie's interim results are due out next week.

The shares closed 5p down at 153p yesterday.

and the southern part of Western Australia.

Heavy chemicals and plastics improved, although sales to the building industry remained subdued.

BARNAGORE JUTE

Unforeseen difficulties have delayed finalisation of Barnagore Jute Factory Company's report for the year to March 31, 1976.

The AGM has been convened for December 29, and will be adjourned to January 26, when the report will be submitted.

ARGYLE SECS.

Argyle Securities prop[oses to] increase interest rate by [...] cent. on the 9½ per cent [...] convertible unsecured loa[n stock] 1992-97 and 11 per cent. convertible stock 1993-98 [in con]sideration of the cancell[ation of] the conversion rights attac[hed to] the stocks.

William Cook (Sheffield) up at midterm

Profits before tax of William Cook and Sons (Sheffield) improved from £117,279 to £131,336 in the half year ended September 30, 1976. Turnover was higher at £1.43m. (£1.19m.)

Earnings per 20p share are 2.52p (2.25p) and the net interim dividend is effectively lifted from 0.528p to 0.55p. Mr. A. Cook, the chairman, has waived payment of the dividend on his shareholding of 138,755 shares.

For the year ended March 31, 1976, the total dividend was equal to 1.338p from pre-tax profits of £234,523.

The group manufactures steel castings.

Henderson Kenton incentive

Henderson-Kenton, the national retail furnishing group, is giving an incentive to its dividend restricted shareholders. Mr. David Hyman, chairman, offers the holders of 100 or more shares, a ten per cent. discount if they buy furniture or carpets from one of the 68 stores trading as "Kentons" in England and Wales and "Hendersons" in Scotland.

Mr. Hyman says "Our dividend is more than six times covered, but we cannot increase our dividend by more than the statutory ten per cent. The store purchase discount is one method of passing on an additional benefit to present and future shareholders."

ICI Australia recovery

ICI Australia earnings recovered from $A14.5m. to $21.5m. in the past financial year. The increase of 48 per cent. outpaced the growth in sales which rose 24 per cent. to $A645m.

Demand improved in all operations except commercial explosives and synthetic fibres and the dividend is raised from 12 cents a share to 13 cents.

Profitability benefited from the continuing policy of investment to increase plant output and productivity. Sales of fertiliser and agricultural chemicals increased following the easing of drought conditions in South East Australia

Whitecroft

Interim statement by the chairman Mr. E. G. Goold

Group profit before taxation for the half year ended 30th September 1976 shows an increase of £858,000, equivalent to 66% over the profit for the same period last year. Profit for the period at £2,159,000 is a record for the group at the half year stage.

The textile division, as forecast in my annual statement, has shown a marked improvement in profits during the half year and this continues.

Our building companies continue to be adversely affected by a shortage of orders but remain profitable.

Thomas Ryder & Son Ltd., our machine tool subsidiary, has made a substantial recovery during the past six months and has shown a break-even position in accordance with forecast.

The remaining companies in the group have all operated successfully during the period.

During the past half year two important beneficial transactions have taken place. In July the company's £2,250,000 4½% first mortgage debenture stock was redeemed for cash. In August a successful rights issue of ordinary stock on a one for four basis raised approximately £1.4m. A credit amounting to £810,000 under the heading "extraordinary items" in the profit and loss account has arisen mainly as a result of the redemption of the debenture stock.

It is proposed to pay an increased interim dividend of 2.33p per ordinary stock unit absorbing £218,000. This compares with an interim dividend of 1.77p paid last year. The increase of 31.6% is in accordance with the proposals contained in my rights issue letter to stockholders. This dividend will be paid, together with the preference stock dividend, on 1st February 1977 to stockholders registered on 7th January 1977.

The board considers that profits for the year to 31st March 1977 will show a satisfactory increase and will create a new record for the group.

Summary of results	Half year to 30th September 1976 £	Half year to 30th September 1975 £	Year to 31st March 1976 £
Turnover	23,848,000	21,140,000	43,854,000
Profit before taxation	2,159,000	1,301,000	3,088,000
Profit after taxation	1,015,000	616,000	1,493,000
Attributable to each ordinary stock unit:			
Earnings	11.6p	7.4p	18.1p
Dividends	2.33p	1.77p	5.31p
Net tangible assets	172p	135p	140p

Whitecroft Limited

Textiles, building supplies, building, engineering and leather

Copies of the interim report may be obtained from:
The Company Secretary
Whitecroft Limited, Blackfriars House, Parsonage
Manchester M3 2HX

APPOINTMENTS

RETIRED BUSINESS PERSON FOR OXFAM

Oxfam needs the help of a retired business or professional person (man or woman), who has experience of working in the City. It involves just one or two days a week discussing Oxfam's overseas work with individuals and organisations (particularly trusts) located within the City of London.

This is an interesting and stimulating task for someone looking for a worthwhile use of their experience and time. There is no salary, but all necessary expenses are paid. Ease of access to the City would be an advantage.

If you would like further information
please write to:
Guy Stringer
Deputy Director
Oxfam
Oxford OX2 7DZ

Documentary Credits

As an expanding international consortium bank, we have vacancies for additional staff in our Documentary Credits Department.

The first requirement is for clerks who have spent at least three years opening and/or paying credits. Applications will also be welcomed from clerk/typists or typists who have obtained documentary credits experience.

Commencing salaries will be competitive according to experience. Other benefits are considered to be above average.

Applications will be treated in strict confidence. Please write, stating age, experience and qualifications or telephone to: P. D. B. Smith, Personnel Manager, UBAF Limited, P.O. Box 169, Commercial Union Building, St. Helen's, 1 Undershaft, London EC3P 3HT. (01-623 9211).

UBAF LIMITED

STOCKBROKERS

Private Client partner of large firm seeks Personal Assistant. Successful applicant should have stockbroking experience and must be able to assist in looking after a wide range of clients without constant supervision. Interesting and rewarding opportunity for right person. Write Box A.5766, Financial Times, 10, Cannon Street, EC4P 4BY.

COMMODITY Traders and Trainees wtd. Charterhouse Appointments 01-836 2377

PLANT AND MACHINERY

FORK LIFT TRUCKS wanted. Immediate settlement. Birmingham Fork Lift Truck Limited, Hams Road, Saltley, Birmingham, B8 1DU. Tel. 021-327 5944/5 or 021-328 1705. Telex 337052.

CLUBS

EVE, 189 Regent Street. 734 0557. A la carte or All-in Menu. Three Spectacular Floor Shows 10.45, 12.45, 1.45 and music of Johnny Hawkesworth & Friends.

GARGOYLE, 69 Dean Street, London, W.1. NEW STRIPTEASE FLOORSHOW THE GREAT BRITISH STRIP Show at Midnight also 1 a.m. Hostesses. Mon.-Fri. Closed Saturdays. 437 6455

Remember THE GASLIGHT Now THE NEW GASLIGHT. London's Favourite Friendly Nightspot. Open 6.30 p.m. until the early hours. 4 Duke of York Street, St. James's, S.W.1. Tel. 01-734 1071 (Day) or 01-930 1648 (after 8 p.m.). Free Courtesy Car Service Avail. 01-734 1071.

COMPANY NOTICES

RECTIFICATION

NORGES KOMMUNALBANK 5¼% 1963/1983
UA 12,000,000 LOAN

The following rectifications are to be made to the publication of November 25, 1976 in this newspaper:
A) Bonds of nominal UA 250 series D: at 10479 up to 11632 incl.
Should read: at 10479 up to 10632 incl.
B) Bonds purchased on the market: UA 114,750.—
Should read: UA 134,750.—
Luxembourg, December 7, 1976.

THE TRUSTEE
KREDIETBANK S. A. LUXEMBOURGEOISE

ECUADOR 4% GOLD CONDORES — Correction to Bond Drawing Notice which appeared in this newspaper on 3rd December, 1976. [illegible] WILLIAMS & GLYN'S BANK LIMITED, 5-10 Great Tower Street, London, E.C.3.

EUROFIMA — Société Européenne pour le Financement du Matériel Ferroviaire. Registered Office: "RITTERHOF" Rittergasse 20, CH-4001 BASLE 1 (Switzerland). INTERNATIONAL BOND ISSUE 7¼% 1971/1981 of 10,000,000 European Currency Units. [illegible] CREDIT COMMERCIAL DE FRANCE, Paris; DEUTSCHE BANK AKTIENGESELLSCHAFT, Frankfurt; MORGAN GUARANTY TRUST COMPANY OF NEW YORK, Brussels; SOCIETE GENERALE DE BANQUE S.A., Brussels; BANCA NAZIONALE DEL LAVORO, Rome; CREDIT COMMERCIAL DE FRANCE, Milan branch; KREDIETBANK S.A. LUXEMBOURGEOISE, Luxembourg. [illegible] CREDIT COMMERCIAL DE FRANCE, Financial Agent to the Company.

COMISION FEDERAL DE ELECTRICIDAD C.F.E. 8% 1972/1987 $US 20,000,000 [illegible] THE TRUSTEE FIRMITRUST S.A. Luxembourg, December 7, 1976.

THE UNION COLD STORAGE OF SOUTH AFRICA LIMITED — DIVIDEND No. 72 [illegible] By Order of the Board, AFRICAN FINANCE CORPORATION LIMITED, Secretaries, per A. T. TICKNER, London Office, 6th December, 1976.

GUAYAQUIL & QUITO RAILWAY COMPANY LIMITED — 5% (FORMERLY 4%) 1st MORTGAGE ASSENTED BONDS — Correction to Bond Drawing Notice which appeared in this newspaper on 3rd December, 1976. [illegible] WILLIAMS & GLYN'S BANK LIMITED, 5-10 Great Tower Street, London, E.C.3.

LOWER PERAK TIN DREDGING BERHAD — The Transfer Books will be CLOSED from 28th to 30th December, 1976, both dates inclusive.

BOND DRAWING

NOTICE TO BONDHOLDERS 4½% LAND BONDS [illegible]

TAKEDA CHEMICAL INDUSTRIES LIMITED — Bearer Depositary Receipts representing shares of Takeda Chemical Industries Limited. [illegible] MORGAN GUARANTY TRUST COMPANY OF NEW YORK, 33, Lombard Street, London EC3P 3BH. 3rd December, 1976

30 November, 1976.

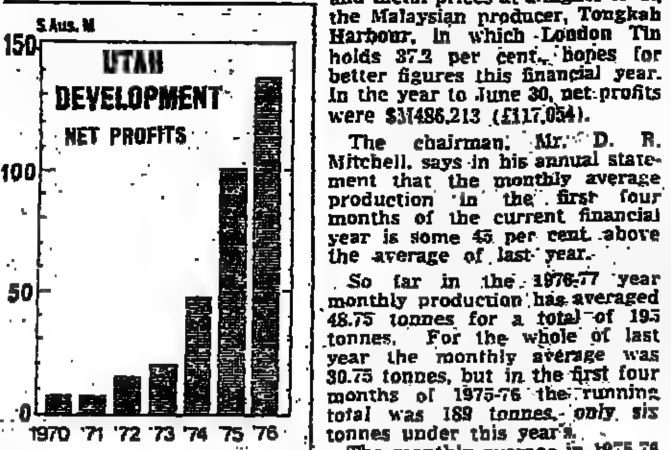
MINING NEWS

Utah's $137m. Down-Under

BY KENNETH MARSTON, MINING EDITOR

STRALIA'S "Mr. Big" in the ofit-earning league, Utah velopment, has lifted its earn-s for the year to October 31 $136.9m. (£83.2m.) from 0.9m. in 1974-75. This is easily highest profit achieved by any opany operating Down-Under. ah Development is 89.2 per cent. ned by America's Utah Inter-tional and 10.8 per cent. by ah Mining Australia.

Utah Development's latest profit stemmed mainly from the



oup's big coal mining operations Queensland, reports our Sydney respondent. Furthermore, re are prospects for a further in earnings during the current ancial year, partly as a result of recent 17½ per cent. devalua-n of the Australian dollar.

Another boost to revenue will me from a full year's benefit the August federal budget's duction in the coal export levy m $6 to $4.50 per tonne; had is reduction applied in the full riod of the group's past year, e latter's pre-tax earnings would ve been some $17m. higher. e Government has said that e levy will be dropped com-etely within three years but s given no indication of the ely timing.

Meanwhile, dividend income om Utah Development has lifted profits of Utah Mining Australia to $9.8m. (£5.96m.) from .1m. The latter's dividend has us been raised to 11 cents (6.7p) om 7.5 cents. Shares of Utah ining Australia jumped 30p to 0p yesterday.

ore shipments and the company has been losing some $1m. (£608,000) in revenue. The partners at Mount Newman are BHP, CSR, Amax, Selection Trust, C. Itoh and Mitsui.

RETURN TO WORK AT MT. NEWMAN

Striking engine and truck rivers at the Mount Newman on ore operation in Western ustralia are returning to work, ut the dispute which has para-sed the mine for nearly four eeks has not been resolved.

Our Perth correspondent eports that the engine drivers oted to return to work yester-lay and that the truck drivers ave accepted an Industrial Com-nission recommendation to go ack to work. In neither case, owever, have the employees' laims been met.

About 2,330 men at the mine ave been laid off because of the rike. In the first stages, ore serves at Mount Hedland were sed to meet shipments, but these pplies ran out nearly a fort-ght ago. At present there are ore carriers at anchor awaiting

TONGKAH HOPES TO DO BETTER

With tin concentrate production running ahead of last year's rate and metal prices at a higher level, the Malaysian producer, Tongkah Harbour, in which London Tin holds 37.2 per cent., hopes for better figures this financial year. In the year to June 30, net profits were $M486,213 (£117,054).

The chairman, Mr. D. R. Mitchell, says in his annual statement that the monthly average production in the first four months of the current financial year is some 45 per cent. above the average of last year.

So far in the 1976-77 year monthly production has averaged 48.75 tonnes for a total of 195 tonnes. For the whole of last year the monthly average was 30.75 tonnes, but in the first four months of 1975-76 the running total was 189 tonnes, only six tonnes under this year's.

The monthly average in 1975-76 was affected by a strike in Thailand which closed down the dredge for 11 weeks and involved the company in extra expenditure of $M178,997. But now, explains Mr Mitchell, a new agreement with the employees is in force until June, 1977.

Like last year, Tongkah will be keeping the dredge at the Bhuket Bay leases in Thailand instead of moving it to Bang Tao Bay for the non-monsoon season. The company considers, as it said at this time last year, that control of operations and security of plant can best be maintained at Bhuket Bay. Tongkah Harbour were 43p yesterday.

OF KALGURLI & KALGOORLIE

Australia's North Kalgurli, whose treatment plant handles nickel ore and whose Fimiston gold mine at Kalgoorlie has been placed on care and maintenance, has begun to operate on a marginally profitable basis. Furthermore the chairman, Mr. John Jones, looks for a dramatic improvement in results for the current year to next June.

He pointed out at yesterday's meeting in Perth that the operating loss of $350,000 (£212,700) incurred in 1975-76 was mainly a result of the cost of closing down the gold operation. The latter has a potential for "significant" gold production when the economics of gold mining improve.

But Mr. Jones reckons that despite the boost of Australia's devaluation the Australian bullion price is unlikely to rise enough in the near future to provide a satisfactory return on mining capital. North Kalgurli were 5p yesterday.

The company is not connected with Gold Mines of Kalgoorlie whose shares slumped 16½p to 3½p in London yesterday. It will be recalled that in October the GMK merchant bank advisers were reported as having said that if no adequate offer were received for the GMK share capital, the company should wind up.

OPTIMISM AT MANGULA

The Rhodesian copper producer, MTD (Mangula), a subsidiary of the South African Messina group, is expecting to maintain net profits this year at the 1974-75 level of $Rh.5.98m. (£5.86m.) provided there is an increase in the copper price. The deputy chairman, Mr. W. I. Spence, is confident about this possibility.

"I believe the copper price trend is upward, and that the present interruption to this upward trend will not last more than a few months," he states in the annual report. Yesterday the London Metal Exchange price for cash wirebars was £758.5 a tonne.

Technically, the outlook for Mangula is satisfactory says Mr. Spence. The Silverside mine is expected to go out of production this year as ore reserves are exhausted, but work is well advanced on doubling the concentrator capacity of Norak to 42,000 tons a month and on boosting Mangula's concentrator capacity by 14 per cent. Mangula were 85p yesterday.

MINING BRIEFS

KILLINHALL TIN—Tin output for November 34 tonnes (October 63 tonnes).

ANGLO AMERICAN CORPORATION (Incorporated in the Republic of South Africa)—Coal division sales output for November (figures in metric tons). Bituminous: Amalgamated (Cornelia) 248,029. Anglo Power (Arnot) 471,403. (Kriel) 134,230. Blesbok 19,906. Coronation (Bank) 149,044. New Largo 65,496. S.A. Coal Estates 289,613. Springbok 172,429. Springfield 243,566. Vryheid Coronation (Coal) 13,710. (Coke) 42,879. Vierfontein 99,104. Zuinguin. Natal's (Indumeni Colliery) 50,579. Anthracite: Balgray Collieries 17,583. Natal Anthracite 53,046. Wankie Colliery (Coal) 227,340. (Coke) 23,731. Swaziland Collieries (Mpaka mine) 31,478. Morupule Colliery 24,222. Group Total 2,365,399 (October 2,428,810).

Bremner lower in first half

A FALL in pre-tax profit from £267,739 to £237,793 is shown by general warehousemen Bremner and Co. for the half year to July 31, 1976.

The directors of the Glasgow-based company say they consider the results are satisfactory when compared with the more favourable trading conditions experienced during the first six months of the previous year.

The interim dividend is held at 1p net per 25p share. Last year's total payment was a maximum permitted 3.6p from profit of £595,825.

The company's freehold property, previously stated at cost as £450,975, has been revalued by surveyors at £791,500, on the basis of existing use and assuming an adequate level of profitability to support it. The directors do not intend to incorporate the surplus in the company's accounts.

Throgmorton Street Nominees Ltd. holds an interest in the company.

Increase in Hestair export orders

Following receipt of a record order of £5.75m. for Dennis Motors Hestair announces total engineering export orders in the last few weeks of £8m. Of this total £7.4m. is for commercial vehicles sold for delivery to the Middle East and Africa, by Dennis Motors and Eagle Engineering.

The major order won by Dennis Motors is the largest in the company's history and is for 170 military tankers for a Middle Eastern country. It was won in the face of strong international competition.

Included in the total is £800,000 of export orders for Stanhay (the agricultural engineering subsidiary of Hestair) on the eve of the Smithfield Show. This, too, represents a record intake.

Greaves Org. receiver

The directors of the Greaves Organisation and Barclays Merchant Bank have appointed Christopher Morris of Touche Ross and Co. as receiver and manager of the company. This has enabled the central organisation of the company to be preserved thus facilitating an orderly realisation of the group's assets.

FRATERNAL ESTATES

As the report for 1975 of Fraternal Estates has not yet been finalised, the AGM, convened for December 31, will be adjourned. It is hoped that the report will be issued before the end of the month, it is stated.

BIDS AND DEALS

Hoogovens offers £3.7m. for Baxter Fell

SHARES IN Baxter Fell, the retail display, steel distribution and wharfingers group, jumped 123p yesterday to 211p, after 220p, on news of the 225p per share cash offer from Dutch group Hoogovens IJmuiden BV. The offer values Baxter at £3.65m.

The outcome of the offer does not appear to be in doubt with directors and certain other shareholders in Baxter, together accounting for 52.5 per cent. of the equity, having irrevocably agreed to accept the offer.

Hoogovens of IJmuiden is a subsidiary of the Estel Group, one of the major steel producers in Europe. Since 1937 Baxter has been Hoogoven's sales agent in the U.K. Discussions between the two groups have been going on for some time.

Hoogovens intends to maintain and further develop the business of Baxter. Assurances have been given to the present management and staff of Baxter. It is intended that two representatives from Hoogovens will be invited to join the Baxter Board.

Several other Continental steelmakers have established or acquired stockholding facilities in the U.K. Two years ago, for example, Kloeckner, the German group, bought Howard E. Perry, a Birmingham stockholder.

WHEELOCK MARDEN ULTIMATUM'

With the process of providing information to Hong Kong Land and Hutchison International now complete the Board of Wheelock Marden and Co. announces that, in the absence of any firm offer being received within the next ten days, it considers the current merger discussions to be terminated. The Board will then be in a position to implement certain proposals which are incorporated in development plans which were being prepared prior to the commencement of merger discussions, members are told.

The directors express their "continued confidence in the future of the company."

The directors had agreed to enter into discussions which might lead to an offer being made by Hong Kong Land to acquire the capital. Subsequently, Hutchison International announced that it had requested a meeting between its representatives and those of Wheelock with a view to formulating acceptable merger terms.

Under these circumstances and in the absence of a firm offer the maximum amount of information which the directors decided they would be able to provide to the financial advisers of both Hong Kong Land and HIL was released. The Board had considered the interests of shareholders in allowing potential offerors sufficient facts on which to formulate offer terms without prejudicing the longer term interests of the company, it is stated.

WAGON INDUSTRIAL

Wagon Industrial Holdings is to pay £18.55 for each share in Moresecure that it does not already own. Wagon acquired 75 per cent. of the company in March 1969 and a further 3.8 per cent. in March, 1976.

Vendors in the latest agreed acquisition are Mr. W. Moore, Mr. R. T. Webb, Mr. B. Moore and Mr. D. C. Moore, all of whom are directors of Moresecure.

LAP HENG NOT TO INCREASE INGERSOLL BID

The Hong Kong-based Lap Heng company to-day effectively ruled itself out of the running for control of watches and cutlery group Ingersoll.

A brief statement from the directors said they did not intend to increase their 33p a share offer for the U.K. company. The Lap Heng bid was topped last Friday by a rival 40p a share offer from Heron Corporation, the property and garages concern.

This bid already has the backing of the Ingersoll Board and "irrevocable" undertaking to accept from holders of around 37 per cent. of the shares.

Hopes that Lap Heng might top the Heron offer initially took Ingersoll's shares up to 41p on stock markets to-day. But with these hopes dashed, the shares were back in line with the Heron offer at 40p—up 3p on the day.

SHARE STAKES

Electrocomponents has been notified that a 12 per cent. stake held by Mr. and Mrs. Waring and registered in the name of a trust corporation have been placed in the market. This means that the company so far as it is aware has no person having a beneficial interest in 10 per cent. or more of the capital.

Lea Holdings has reduced its interest in Epicure Holdings to 2,822,584 units (59.5 per cent.). This means that, together with the directors and their families, the Board's interest is 3,079,066 units (64.9 per cent.).

J. H. Vavasseur Group has bought 123,500 Mills and Allen International Ordinary shares. Total interest is 7,473,000 shares (80.55 per cent.).

Jorehaut Holdings has acquired another 25,000 Unochrome International Ordinary shares. Total holding is 3,385,000 shares.

Bradford Property Trust—Warner Estates has acquired a further 90,000 Ordinary shares bringing total interest to 1,070,000 shares (14.3 per cent.).

Dawn Estates, a member of the John James Group of Companies, holds 33,000 British Printing Corporation 4.2 per cent. cumulative Preference shares (more than 10 per cent.).

Mr. Ervin Landau, a director of Kwik-Fit (Tyres and Exhausts) Holdings, has acquired 41,000 Kwik-Fit shares.

Kien Huat Realty SDN BHD with associates have purchased 997,000 Ordinary shares in Golden Hope Plantations at 76.4p per share Average between November 23 and December 3.

KHR and associates now hold 10,656,700 Golden Hope shares (about 21 per cent.). The prices in Malaysian ringgit have been converted at the middle market exchange rates prevailing on the days of purchase.

Williams Hudson Group have been advised by Argo Group S.A. that the 997,456 Ordinary shares of Hudson of which Argo Caribbean Group remains the holder, have been transferred to Argo Group S.A., therefore Argo Group S.A. now holds 5,238,832 (46.05 per cent.) Ordinary shares in Hudson.

The total shareholding of Allied London Properties in Second City Properties is now 1,055,186 (16.17 per cent.) Ordinary shares.

Mr. A. J. Cross, a director of Blakey's (malleable castings), announces that his beneficial interest in the Ordinary shares of Blakey's has now been reduced to the 1,000 Ordinary shares registered in his own name.

By purchasing a further 4,000 shares in Estate Duties Investment Trust, the ICFC group increased its interest to 6,101,669 (41.675 per cent.) shares in EDITH.

Woodbourne Nominees holds 3,935,969 Dawson International Ordinary shares.

G.O. OFFER FOR REST OF MAIDENHEAD INV.

Shares in Maidenhead Investments, the housebuilding property investment and development group, advanced 3p yesterday to 26p following the news that Generale Occidentale is to bid 26p per share in cash for the 75.48 per cent. of Maidenhead that it does not already own.

The offer is subject to the approval of the exchange control authorities.

ASSOCIATES DEAL

Williams de Broe Hill Chaplin on December 3 bought on behalf of Booker McConnell 2,500 Kinloch (Provision Merchants) at 229p.

Receiver for Beeston Boiler

Dealings in Beeston Boiler were temporarily suspended yesterday at 12p pending clarification of the company's position.

The Italian Investment Bank, which has an interest in 54 per cent. of Beeston, has refused to grant further credit facilities and a request has been put in to National Westminster Bank to appoint a receiver.

BALFOUR DARWINS

Balfour Darwins proposes early redemption of its 4.1 per cent. Cumulative Redeemable Preference shares at 93p per share plus accruing dividends until the date of redemption

Annual Statements—Contd.

TONGKAH HARBOUR TIN DREDGING BERHAD

(Incorporated in Malaysia)

MR. D. R. MITCHELL'S REVIEW

The 35th Annual General Meeting of Tongkah Harbour Tin Dredging Berhad will be held on 30th December, 1976, in Kuala Lumpur.

The following is the circulated statement of the Chairman, MR. D. R. MITCHELL:—

The total production of tin concentrate for the year was 6,684 piculs, 3,009 piculs less than that for the previous year. The fall in production was mainly due to the fact that the dredge was closed down for eleven weeks while the labour force were on strike, and I will refer to this later. The sea dredge continued to operate entirely in the Kheng Guan area of the Bhuket Bay leases and the yield of 0.34 kati of tin concentrate per cubic yard showed no change from that for the previous year.

Lower Profits

Operating costs and overhead expenses showed a substantial increase this year, partly because it became necessary to provide for mine employees' retrenchment benefits in addition to the retirement benefits for which accruals have been made in previous years. In addition, an abnormal charge was incurred in respect of dredge shut-down expenditure. The average daily price of tin metal on the Penang market showed little change from last year's figure, but the lower production and higher operating costs resulted in a fall in our profits from $2,964,358 to $769,209. A first interim dividend of 5% in respect of the year was paid on 6th July, 1976, and a second interim dividend of 6% has now been declared, making a total distribution of 11% for the year compared with 23% last year.

Tin export control remained in force throughout the financial year, but did not affect the Company's operations and was lifted on 30th June, 1976. Following the expiry of the Fourth International Tin Agreement on the same date, we received a refund of buffer stock contributions made during the five-year period of the Agreement, together with our share of the surplus realised representing 54% of our contributions. The profit element will appear in the accounts for the current financial year.

Strike Action

The strike which I have already mentioned took place after the workers' union had submitted a long list of extravagant demands and lasted from 24th January until 9th April. In view of the very substantial increases in wage rates and improvements in conditions of service granted in recent years, there could have been no question of the Company acceding to these demands, which in any case were ruled as illegal under Thai labour laws because they were presented during the currency of a 12 months' agreement with the union. Despite the efforts of the Labour Department to resolve the dispute, the dredge was left unmanned and the strikers occupied the compound in which the office and other mine buildings are located. Our senior staff with the assistance of the local police mounted a caretaker arrangement on the dredge, day and night, and I wish to pay a special tribute to them for carrying out work beyond their normal duty in most unpleasant circumstances. By the end of March the situation had become a little less tense and meetings were held with union officials and senior Thai Government officers. Terms were agreed under which the labour force resumed working without the Company having to accede to the demands previously presented by the union before the start of the strike and subsequently a new agreement, effective until June, 1977, was negotiated and signed; under this no general increases in wage rates were granted but some improvements were conceded regarding retirement and retrenchment benefits.

Current Year

During the first four months of the current financial year the dredge has worked without interruption and has produced 3,228 piculs of tin concentrate representing an average monthly production about 45 per cent. higher than last year's. The tin price too is running at a higher figure and I am hopeful that we will be able to improve upon the results presented in this report. For security reasons the dredge will again remain in the Bhuket Bay leases instead of being transferred to Bang Tao Bay during the non-monsoon period. However, the change of Government last month improves the outlook for a return to stable conditions in Thailand after three troubled years since the student revolution of October, 1973.

Most shareholders will be aware that London Tin Corporation Limited, which holds 37.2 per cent. of the issued share capital of your Company, emigrated to Malaysia recently under a Scheme of Arrangement. Mr. D. H. Davidson, who retired as chairman of Anglo-Oriental (Malaya) Sdn. Berhad, our General Managers, at the beginning of October last, has resigned from the Board of this Company and Encik Abdul Rahim Aki, Chief Executive of London Tin (Malaysia) Berhad and a Director of London Tin Corporation Ltd., has been appointed in his place. Encik Abdul Rahim Aki offers himself for re-election at the forthcoming Annual General Meeting.

Once again, on behalf of shareholders, I express our thanks to management and staff in the East and in London for their excellent services during a year when a number of difficulties have had to be overcome.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Confidence at Schering over 1976 earnings

BY GUY HAWTIN FRANKFURT, Dec. 6.

SCHERING, the West Berlin-based chemicals and pharmaceuticals concern, is confidently predicting an improvement in earnings this year. However, an interim report on the first nine months' performance is still chary of estimating the probable size of the rise.

The current year has been one of recovery for the West German chemicals industry. Admittedly, important sectors, notably fibres, remain depressed, while agricultural products such as fertilisers have experienced weak demand.

But virtually all of the Federal Republic's most important chemical concerns have felt the upturn and all three of the majors—Hoechst, Bayer and BASF—have made particularly strong recoveries.

SCHERING's turnover figures have not shown the same growth rate as the majors. Group sales for the first three-quarters totalled DM1.54bn. (£357.2m.), some 14.9 per cent. up on the DM1.34bn. of the same period of 1975. The parent concern, Schering AG, saw turnover rise by 8.3 per cent. from DM876m. to DM949m. (£238.4m.).

Thus, Schering's turnover—on the surface of things at least—showed a far slower rate of improvement than the majors whose group sales went up by between about 15 per cent. and close on 22 per cent. and whose parent concern turnovers rose by between about 15 per cent. and just over 24 per cent.

Furthermore, Scherings' figures are somewhat distorted by the fact that for the first time they include the figures for the new U.S. subsidiary, Nor-Am Inc.

In fact, Schering's performance in the first three quarters in turnover terms has been in no way discreditable. It was one of the very few chemical concerns last year that not only experienced no heavy decline in sales, but actually showed a 4.3 per cent. group turnover increase and a 4.9 per cent. rise in the parent concern's sales.

Net profits in 1975 totalled DM55.8m., which, although higher than 1974's extraordinarily low DM53.6m., were considered unsatisfactory. On this year's profits position, all the group would say was that the first nine months' earnings had shown a distinct improvement and that, allowing for all known difficulties, satisfactory profits were expected.

As with most of its competitors, Schering noticed a weakening in sales in the third quarter of the year after the positive upward trend of the first six months. Production capacity was, on average, more fully utilised than in the same period of the previous year. Producer and raw materials prices remained, by and large, unchanged from 1975.

One factor that had depressed performance in the plant protection area of the agricultural chemicals sector was the withdrawal of the product Fundal from the market in September. Production of Fundal was halted after interim results of tests had indicated possible dangers to people involved in the manufacture and use of the product.

Figures for the parent concern showed that growth had primarily been led by domestic sales. Home turnover was up 11.6 per cent. from DM327m. to DM365m., while overseas sales rose by 6.4 per cent. from DM549m. to DM584m. This contrasts with last year when exports were up 9.8 per cent. and home sales actually decreased.

Capital investment had not reached planned levels as a result of changes in individual large-scale projects. For the total year, it was expected to reach DM160m. compared with DM191m. in 1975.

● Linde appears to be doing far better this year than it expected. The Wiesbaden-based engineering, construction and cold store group, which started the year in a pessimistic mood, has reported a marked increase in both sales and orders.

Group turnover in the first three quarters of the year has risen 11.9 per cent. from DM939.6m. in the comparable period of 1975 to DM1.05bn. (£264.1m.). At the same time the inflow of orders is up 19.6 per cent. at just under DM1.86bn. (£466.1m.).

In April this year, the group warned that it had not yet felt the effects of the economic upturn and was clearly sceptical about its prospects. A rise in profits or an increase in exports was essential, in the opinion of its Executive Board.

At the nine month point, it seems clear that the group has done better than it expected. Domestic turnover rose by 12.5 per cent. to DM723.2m., while exports went up 10 per cent. to DM328m. Domestic orders declined by DM92.8m. to DM750.8m..

Banks cast Reksten $100m. lifeline

BY MICHAEL BLANDEN

LOANS of $100m. have been arranged by a syndicate of banks for the troubled Hilmar Reksten shipping group.

The loans are being made under guarantee from the Norwegian Guarantee Institute for Ships and Drilling Vessels under the arrangements announced last June to enable the Reksten group to stay in business. They are the first of this kind made under the guarantee.

The loans are being made to two Reksten companies. Hadrian, an old-established group company is being given a facility of $38m., while a loan of $62m. is being made to Trajan, the new company set up to take over the group's other interests as part of the reorganisation.

The loan facilities are designed to provide the Reksten group with liquid funds and enable it to pay interest on its existing loans. Under the reorganisation, the Norwegian State-backed Guarantee Institute is providing guarantees running to the end of 1979.

The loans have been arranged by Hambros Bank, Bank of America and Canadian Imperial Bank of Commerce, and are being provided by a group of 20 international banks. The terms of the loans are not being disclosed, but it is understood they include a repayment schedule geared to repayment by the end of 1979.

The terms of the guarantees provided by the Norwegian Institute are thought to be based on the worst possible case of a full lay-up of the Reksten fleet until the end of 1979. However, it is reported that the present performance is considerably better: at its worst in the past two years, only 8 per cent. of the tanker tonnage was actually trading, but now around 40 per cent. is trading.

Under the reorganisation scheme the major creditors of Reksten, Hambros and the Aker shipbuilding group, agreed to participate in the new company, Trajan, and to reduce their claims on the Reksten interests.

Hambros showed in its last accounts for the year to March 31 an exceptional loss of £4.323m. on shipping loans, covered by a transfer from inner reserves. This was the net amount by which the bank had agreed to reduce its secured claims on ships subject to guarantees by the Norwegian Institute including those in the Reksten group.

Because of the guarantee scheme, however, the bank was able to treat the ships covered as on-going business assets. It is hoped that with the loans now arranged under the scheme it will be possible to recover the investment when the tanker market recovers.

Wheelock sets merger deadline

HONG KONG, Dec. 6.

WHEELOCK MARDEN said that in the absence of any firm offer for the company being received within 10 days from December 4, it will consider the current merger discussions with Hong Kong Land Company and Hutchison International as terminated.

The company said in a statement that the Board would then be in a position to implement certain proposals incorporated in development plans being prepared before merger discussions started.

The process of providing information to the two potential offerors is now completed, it said.

It said that the arrival of a second potential offeror (Hutchison) forced it to reconsider its position on the disclosure of information, particularly the potentially damaging effect of releasing commercial information to offerors which in certain business areas could be considered as competitors.

"Under these circumstances, and in the absence of a firm offer, the maximum amount of information which the directors decided they would be able to provide to the financial advisers of both Hong Kong Land and Hutchison International was released," Wheelock said.

"In providing this information, the Board has considered the interests of shareholders in allowing potential offerors sufficient facts on which to formulate offer terms without prejudicing the longer-term interests of the company," it added.

The Hong Kong Land deputy general manager, Mr. Trevor Bedford, said the company's Board will have to meet to consider its response to Wheelock Marden's statement.

Reuter

Fiat chairman to discuss $415m. Libyan placement

BY ANTHONY ROBINSON ROME, Dec. 6.

Having spent the last few days explaining the economic, financial and political significance of the Fiat-Libya deal to politicians of all parties, the trade unions, the Israeli Ambassador and David Rockefeller of Chase Manhattan Bank, Sig. Gianni Agnelli, chairman of Fiat, is expected to-morrow to hold an important meeting with leading Italian bankers.

Sig. Cesare Romiti, finance director, spent to-day in Germany conferring with West German bankers and also Kloeckner Humboldt Deutz which is Fiat's West German partner in the Iveco multi-national truck subsidiary.

Apart from explaining the details of the agreement, under which the Libyan Arab Foreign Bank will become the second largest shareholder by taking a 9.6 per cent. stake rising eventually to 13 per cent. in Fiat's capital, Sig. Agnelli and Sig. Romiti are also expected to discuss placement of the $415m. which will shortly flow into Fiat's coffers.

In the short run Fiat is expected to place the bulk of this into bank deposits. There is still some doubt as to whether the entire amount will be brought into Italy. If the central bank is not willing to assume the exchange risk entailed in conversion of the ten year $104m. loan then this part of the capital will be transferred to International Fiat Holding of Zurich.

The discussion is also expected on the present share ownership pattern of Fiat. The major shareholder in Fiat SpA is the Agnelli family holding company, Istituto Finanziario Industriale (IFI) which holds a controlling 33.6 per cent. stake. This will drop to 29 per cent. once the Libyan Bank converts its L90bn. worth of bonds into Fiat shares as provided for in the agreement.

But the IFI stake is also flanked by the 1.3 per cent. controlled by the Agnelli Foundation, plus nearly 4 per cent. held by Pirelli, 0.25 per cent. by Mediobanca and nearly 3 per cent. held by various Italian investment trusts like the IMI controlled Fonditalia. Altogether some 42 per cent. of Fiat shares are controlled by institutions and banks either controlled by Fiat or firmly in Italian hands.

EUROBONDS

Gotaverken issue doubled

BY TONY HAWKINS

THE AB Gotaverken issue of five-year notes on an 8 per cent. coupon has been doubled in size from $20m. to $40m. and priced at a premium. The notes were priced yesterday at 100¾ to give a yield of 7.78 per cent. which is the lowest such yield on a five-year public Eurobond issue for 1976 and, almost certainly, for the two previous years as well. The lead manager is Orion Bank.

The other tranche in the issue—the $30m. of 8-year notes has been priced at par and the issue amount is unchanged. The coupon is 8½ per cent., as indicated, and the lead manager said last night that both tranches had been heavily subscribed.

The Swiss multinational Sandoz group's $120 equity package has been "substantially oversubscribed," the lead managers, Credit Suisse White Weld said last night. The Euromarket issue consisted of 40,000 units with each unit comprising one Guaranteed Convertible debenture (with a par value of $1600) due 1988 of Sandoz Overseas Limited and one Bearer Participation Certificate in the parent group, Sandoz Limited.

The coupon on the debentures has been set at 4¾ per cent. as indicated and the conversion premium for the debentures (into BPCs) is 6.59 per cent.

The BPCs themselves have been priced at a discount of 4.07 per cent. with a price of $1,440. This is a discount of just over 4 per cent. from the closing price yesterday of BPCs of $1.501. The Swiss Franc dollar exchange rate applicable to this issue is 2.445.

The issue is regarded as highly successful particularly as it is the largest equity-linked offer in the Eurobond market to date.

Prices were firmer where changed in the secondary market, with the Canadian dollar sector being particularly strong. Prices here were up to half a point harder while Canadian issues in the U.S. dollar sector also improved, though by smaller margins.

The Banco Urquijo floating rate notes were traded for the first time, opening at a substantial discount in the 96½-97 range. U.K. issues tended harder on yield considerations and both Midland Bank and South of Scotland were firmer.

BOND TRADE INDEX	Mon.	Fri.
Medium	101.76	101.73
Long	93.46	93.44
Convertibles	105.37	105.06

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Alcan 9¼pc 1989	104½	105
Australia 8½pc 1981	99½	100
Bowater 9½pc 1990	102½	102¾
Can. N. Railway 9pc 1986	100½	101½
Credit National 8¾pc 1986	97½	98
Denmark 8½pc 1984	98	98½
ECS 9¼pc 1989	102½	103
EIB 9¼pc 1992	100½	101
ERAP 9¼pc 1985	102½	103½
Esso 9pc 1986 Nov.	103½	104½
Eurofima 9¼pc 1983	101¾	102½
Granges 9½pc 1983	101½	103½
ISE Canada 9½pc 1986	104½	105
Massey Ferguson 9¼pc 1991	104½	103½
Michelin 9½pc 1987	101	101½
Midland Int. Fin. 8¾pc '86	97½	98
MODO 9pc 1980	97½	99
Ntl. Westminster 9pc 1986	99½	100½
Newfoundland 9½pc 1989	101	101½
Norpipe 9¼pc 1985	101½	102½
Norsk Hydro 9pc 1991	100½	101½
Oslo 9pc 1988	100½	101½
Ports Autonomes 9pc 1991	98½	99½
Prov. Quebec 9pc 1984	100½	101
Quebec Hydro 9¾pc 1986	97½	98½
Prov. Saskatch. 8¾pc '86	101	101½
Skand. Enskilda 9pc 1991	99½	100
Volvo 9¼pc 1985	102½	103½
NOTES		
Australia 8¾pc 1983	101½	102
Australia 8½pc 1980	100½	101½
Dow Chemical 8pc 1986	101½	102
ECC 8¼pc 1982	100½	101
Kockums 8pc 1983	97½	98½
Michelin 8¾pc 1983	100½	101
Montreal Urban 8¾pc 1981	99½	100½
Ntl. Coal Board 8¼pc 1981	99½	100½
New Bruns. Prov. 8¾pc '83	102	102½
New Zealand 8¼pc 1986	99½	100
Nippon Fudosan 9pc 1981	99½	100½
S. of Scot. Elec. 8¾pc '81	97½	98½
FLOATING RATE NOTES		
BFCE 6¼ min. 1983	98½	99½
OKB 6¾ min. 1982	99½	100½
Bk. Tokyo Hdg. 6¾ min. '81	100½	101¼
LTCB of Japan 6¾ min. '81	98½	99½
D-MARK BONDS		
Beecham 8pc 1983	101½	102½
EIB 6¾pc 1984	98½	99
Gire. Vienna 7¾pc 1983	101½	102
New Zealand 7½pc 1986	103½	104½
Pemex 8½pc 1983	98½	99½
Source: White Weld Securities.		
CONVERTIBLES		
American Express 4¼pc '87	83	85
Ashland 5pc 1988	87	89
Beatrice Foods 4¼pc 1992	101½	103½
Beatrice Foods 4½pc 1992	119½	121½
Borden 5pc 1992	103	105
Broadway Hale 4¾pc 1987	78½	80½
Canon Camera 7¼pc 1990	178	180
Carnation 4pc 1987	85	87
Chevron 5pc 1988	116½	118½
Dart 4¾pc 1987	83½	85½
Eastman Kodak 4½pc 1988	103	105
Economic Labs. 4½pc 1987	76	78
Fed. Dept. Stores 4¾pc '85	114	116
Firestone 5pc 1988	85	87
Ford 6pc 1986	94½	96½
Ford 5pc 1988	85½	87½
General Electric 4¼pc 1987	83	85
Gillette 4¾pc 1987	74	76
Gould 5pc 1987	104½	106½
Gulf and Western 5pc 1988	89½	91½
Harris 5pc 1992	96	98
Honeywell 6pc 1986	83½	85½
ITT 4½pc 1987	76½	78½
Komatsu 7½pc 1990	101	102½
J Ray McDermott 4¾pc '87	138	140
Mitsubishi Elec. 7¼pc 1991	103	104½
Mitsui 7¼pc 1990	101½	103
J. P. Morgan 4¾pc 1987	108	110
Nabisco 5½pc 1988	95	97
Owens Illinois 4½pc 1987	115	117
J. C. Penney 4¼pc 1987	83½	85½
Pioneer 6½pc 1989	294	
Raymond 8¾pc 1989	103	104
Revlon 4¼pc 1987	110	112
Reynolds Metals 5pc 1988	84½	86½
Sperry Rand 4¼pc 1987	94	96
Squibb 4¾pc 1987	75	77
Texaco 4¾pc 1988	76	78
Toshiba 6¾pc 1990	104	105½
Union Carbide 4¾pc 1982	102	104
Warner Lambert 4¾pc 1987	79	81
Warner Lambert 4¾pc 1988	76	78
Xerox 5pc 1988	78	80
Source: Kidder, Peabody Securities.		

EBES forecasts higher electricity and gas sales

BY DAVID BUCHAN BRUSSELS, Dec.

THE BELGIAN Power Co., EBES, has announced in a loan prospectus higher electricity and gas sales this year with a forecast of higher profits. It says that, legislation permitting, it should be able to pay a larger dividend than last year when with net profits of B.Frs.1.97bn., it paid B.Frs.161 per share net. The current legislation freezing dividends expires at the end of this year.

Interestingly EBES — the second largest of the three private power companies that supply nearly 90 per cent. of the country's electrical needs —comments that it is largely because of low cost nuclear power, which now generates some 22 per cent. of its supply (16 per cent. last year), that it has been able to increase sales. Electricity sales to industry were up 10 per cent. in first half of this year and to residents up by almost as much. Sales of gas increased. EBES comments that these increases have achieved in spite of government decreed rate reduct

In its prospectus for B.Frs.3.5bn. loan over years, EBES is announcing gross profit before depreciation of B.Frs.3.4bn. for first half of this year against B.Frs.2.7bn. last. With government backing EBES and the two other Belgian power companies Intercom and Unerg this year worked out a rationalisation plan. Unlike other two, it has not inv EBES in any mergers th it has transferred a branch of its business Unerg.

Philips warns unions of jobs cutback in Holland

BY MICHAEL VAN OS THE HAGUE, Dec

PHILIPS, the Dutch-based international electrical group, has indicated to trade unions that the number of Dutch jobs as well as jobs abroad is likely to be reduced further next year as demand continues to be insufficient to continue manufacturing at full capacity.

A spokesman said in Eindhoven to-day that the expectation was that the number of jobs in Holland alone will be reduced by 3,000 to 4,000 in 1977, which about equals this year's staff cutback. It was stressed, however, that no forced redundancies were expected. It is not yet known what the magnitude of staff cutbacks outside Holland would amount to in 1977.

In Holland, where Philips is the largest private employer, employing a total of 88,500 at the end of September, added that the company w reduce short-time worki much as possible. In 19 was cut to 3,500 to 4,000 years from 8,500 to 9,0 previous year.

The company had said Press briefing at the end month that the volume i of sales would be about cent. in 1977, which would the same rise as sales th The Philips spokesman had not yet been decided divisions would be most a by the staff reductions.

The Dutch company cu staff worldwide by 4,400 first nine months of this while 5,100 were added U.S., 9,500 jobs were los where, of which 4,500 w England, 3,200 in Hollan several hundred in Austr

Loan plan in Austria

BY PAUL LENDVAI VIENNA, De

THE AUSTRIAN mortgage banks are considering the possibility of setting-up a joint financial institution to float loans and to launch co-operation programmes with other credit institutes involving joint financial ventures.

This was revealed at a Press conference during the week-end by the Secretary-General, Mr. A. Janauer, of the Association of Mortgage Banks.

The initiative must be against the backgroun pressure exerted by the s bank sector for securin right to issue their own b

Mr. Janauer spoke favour of a "sensible divi labour" in the credit adding that the mortgage are the last to want to p towards the system of u versal banks.

Leading banker dies

BY OUR OWN CORRESPONDENT VIENNA, De

ONE OF Austria's most influential and widely respected bankers, Dr. Franz Ockermueller, died here yesterday. The 62-year-old banker has been, since 1963, the Director-General and chairman of the Board of Oesterreichische Laenderbank, Austria's No. 2 joint stock bank.

The bank's balance sheet at the end of August r Sch61.4bn. (£2.17bn.). Inc the three associated cre stitutes, the group balanc totalled over Sch.75bn. Ockermueller had been long Socialist and one closest financial advis Austrian Federal Chancel Bruno Kreisky.

هكذا من الاجل

INTL. FINANCIAL AND COMPANY NEWS

PANESE BANKS

Profits boost

BY PAULINE CLARK

K OF TOKYO, the last to rt in the recent round of im figures from the nese City banks, has an- ced a 47.8 per cent. rise in rring profits compared with preceding half year ending March. This brings the age before tax increase for 3 banks in the sector during six months until September year to just over 22 per —the first increase to be rted for five consecutive half periods going back to ember 1974.

ie increase, can be almost ly attributed, however, to gn exchange sales and other gn exchange considerations. trend in lendings for all the banks suggests in fact, that ness operations probably hit bottom in the period both in s of volume and interest ad.

nk of Tokyo's recurring t increase from Y14.4bn. to 8bn. is in sharp contrast to revenue result which are ly changed at Y254bn., loans easing by only 0.9 per cent. deposits by just 0.3 per cent. pared with the half year September 1975, loans ling Y2.689bn. for the same od this year are also only 2.3 cent. higher.

creases at the revenue level all the other City banks are marginal. Dai-Ichi Kangyo k, Japan's largest commer- bank, did comparatively with a 1.4 per cent. revenue ease as did Daiwa Bank, the City bank in the trust ness, with its 1.9 per cent. ease.

he extent to which gains a foreign exchange sales as as recently introduced new hods of evaluating foreign ange have distorted the figures is also evident at net profit level. Bank of yo, for instance, records only a 5.6 per cent. increase to just over Y9.5bn. after transferring back Y5.7m. to the reserve account for price fluctuations on currency. Meanwhile, the bank puts some Y5.5m. at the recurring level down to changes in accounting methods.

Bank of Tokyo's reporting policy is apparently out of line with, for instance, that of Dai-Ichi Kangyo Bank which reports only a 4.1 per cent. increase in recurring profits but a 22.4 per cent. rise at the net level.

But mixed as the picture seems, due to these kinds of anomalies, the net result for all the City banks was a continued depression in bank business with an insufficient rise in lending volume to compensate for low yields on loans.

The banks also suffered during the period from enforced subscription to large amounts of both national and local Government debentures which prevented them from improving their fund position. However, where there was room for building up holdings of securities, returns for the banks improved both because of deferred dividend payments and resumption of dividends based on recovery in corporate earnings. In the case of Bank of Tokyo, dividends on securities increased significantly from Y17.1bn. to Y19.6bn. In the six months until September 1975 the figure was only just over Y15bn.

The continuing flatness over the summer period in the revenue trend for the banks should have come as no surprise. Excess liquidity was still being reported last June while the extent of the losses being made overseas because of bad debts and under-lending was also underlined by the Ministry of Finance's decision to increase its surveillance of these activities.

However, the banks have not been deterred from preparing the ground for an upturn, at least in domestic business in the second half of the current year as Japan pulls itself out of recession. All the major commercial banks have this year been taking steps to raise their lending ability by restoring their capital to assets ratios in accordance with Government regulations.

SUMMARY OF OPERATING RESULTS FOR JAPANESE CITY BANKS

		Revenue		Recurring profit		Net profit	
Dai-Ichi K.	(M)	369,182	(−3.2)	25,913	(−9.3)	10,230	(−2.3)
	(S)	374,379	(1.4)	26,969	(4.1)	12,517	(22.4)
Fuji	(M)	321,440	(−2.2)	25,119	(−7.9)	10,673	(−0.1)
	(S)	323,803	(0.7)	29,575	(17.7)	13,128	(23.0)
Sumitomo	(M)	318,899	(−1.6)	26,198	(−9.2)	11,170	(−1.0)
	(S)	319,814	(0.3)	32,929	(25.7)	13,789	(23.4)
Mitsubishi	(M)	303,694	(−1.8)	22,559	(−21.4)	10,684	(−0.9)
	(S)	304,754	(0.3)	28,836	(27.8)	13,154	(23.1)
Sanwa	(M)	305,511	(−1.8)	22,238	(−3.9)	9,604	(−0.2)
	(S)	310,999	(1.8)	26,729	(20.2)	11,890	(23.8)
Tokai	(M)	229,368	(−1.5)	15,298	(11.2)	7,916	(65.7)
	(S)	229,326	(—)	19,347	(26.5)	7,397	(−6.6)
Taiyo Kobe	(M)	213,588	(−2.7)	12,852	(−17.9)	6,555	(−6.5)
	(S)	215,031	(0.7)	15,414	(19.9)	5,806	(−11.4)
Mitsui	(M)	217,650	(−2.3)	14,282	(−14.8)	6,148	(9.5)
	(S)	219,639	(0.9)	18,148	(27.1)	7,517	(22.3)
Kyowa	(M)	157,535	(0.5)	10,394	(−11.0)	4,740	(4.8)
	(S)	159,800	(1.4)	11,125	(7.0)	5,166	(9.0)
Daiwa	(M)	137,198	(−5.6)	10,345	(−15.1)	5,050	(−2.5)
	(S)	139,868	(1.9)	12,591	(21.7)	5,681	(12.5)
Saitama	(M)	109,901	(1.6)	7,503	(−9.8)	3,881	(10.8)
	(S)	114,105	(3.8)	10,047	(33.9)	3,949	(1.7)
Hokutaku	(M)	89,337	(−0.7)	5,590	(−11.8)	2,933	(8.5)
	(S)	91,263	(2.2)	6,589	(17.9)	2,941	(0.3)
Tokyo	(M)	253,526	(−3.9)	14,432	(−16.5)	9,030	(12.8)
	(S)	254,059	(0.2)	21,332	(47.8)	9,535	(5.6)

Notes: (1) (M) March, 1976 (six-month) term, (S) September, 1976 (six-month) term. (2) Parenthesised figures represent term-to-term percentage gains.
Source: Nomura Securities.

Norwegian co-operation in electronics industry

BY FAY GJESTER

OSLO, Dec. 6.

RWAY'S THREE leading ctronics companies have an- nced a co-operation agree- nt which may eventually be owed by a merger. They are Tandberg radio and TV con- n, Elektrisk Bureau (EB), ducers of telecommunication uipment, and Kongsberg penfabrikk (KV), the state- ned armaments, electronics d engineering firm.

As part of the deal, Tandberg d KV are acquiring some two- hs of the 43.25 per cent. stake ich Sweden's L. M. Ericsson held in EB, and the three tners have together bought a jority interest in Noratom/ Norcontrol, a small company specialising in production of data systems for marine use.

At a press conference to announce the agreement, the managing directors of the three companies said that by co-operating in marketing, product development and management, they expected to increase profitability substantially. Norway's electronics industry has had a poor profits record in recent years, and a major reason for this has been the small size of the companies involved.

Tandberg managing director Andreas Skogvold said the agreement would enable the three to extend production series for products on which development costs had been high. Until now, undersize production series had been the industry's weakness — development costs had been too high in relation to earnings.

So far, because of their respective product ranges, Tandberg, EB and KV have not directly competed with one another. It was pointed out at the press conference, however, that without the co-operation agreement, they might have been forced to do so in future. Incorporation of the three in a single company is not immediately envisaged, but will be considered after the agreement has been in operation for some time.

Norway's Ministry of Industry has played its part in bringing the companies together, in line with the Government's policy of strengthening the Norwegian electronics industry. The state is, moreover, the biggest single domestic user of the industry's products, through its purchases for the administrative, defence, communications and health sectors.

Industry Minister Bjartmar Gjerde has welcomed the deal *and said it will help to promote* Norwegian-Swedish co-operation in electronics. He said L. M. Ericsson would continue its traditional close co-operation with EB, despite the reduction in its share stake.

Nippon Steel recovery

FINANCIAL TIMES REPORTER

PON STEEL Corporation's ncial report for the first half ril-September 1976) of fiscal 6, announced recently, showed s totalling Y1,218,772m. 39.9m.) and after-tax profits Y9,630m. ($33.5m.).

ales showed an 18.8 per cent. ease from the Y1,025,658m. 568.1m.) in the second half tober 1975-March 1976) of al 1975, while after-tax profits stered an increase of 8.3 per t. from Y8,896m. ($30.9m.). llar values have been calculated at the rate of Y287.45 to $1 as of September 30, 1976).

In the first half of fiscal 1976, the Japanese economy showed signs of a gradual recovery because of the steady private investments in housing and growth of exports. However, individual spending has remained stagnant, while there has been *no appreciable increase in* Government investments in public utility projects and in equipment investments by private enterprise. In the latter part of this first half, signs began to appear towards stagnation.

Banks return to Lebanon

THE INTERNATIONAL banking community, led by major U.S. banks, is starting to return to Lebanon following the truce last month which ended 19 months of civil war, bankers here said.

One British banker said "normality is beginning to emerge in commercial and financial transactions with the country."

Many of the 20 U.S. banks operating in the Lebanon effectively closed their branches and moved their Middle East area heaquarters elsewhere as fighting in the country intensified in 1975.

They relocated in London, Paris, Athens and Cairo, and the emerging offshore banking centres in the Arab world such as Bahrain, bankers said.

But First National Bank of Chicago officials said the bank will be reopening three branches in Lebanon on Monday.

First Chicago believes it will be the first U.S. bank to offer a full service in Lebanon again.

A Citibank spokesman said his bank expects to open at two locations in Lebanon, one of them in Beirut, later this month.

Some foreign banks managed to maintain an emergency presence in the country throughout the unrest.

One of them, British Bank of the Middle East, said it hoped to re-establish its Beirut headquarters sometime late this *month or early January,* in addition to its small branch already located outside the city.

But the bank, which had its Beirut buildings extensively damaged and looted in the fighting, is relocating at new premises.

Additionally, Britain's Chartered Bank has in the last few weeks set up a branch outside the Lebanese capital.

The banks are still reluctant to say whether they will move their Arab area headquarters back to Beirut.

Several other bank officials questioned by Reuter said their return to Lebanon would allow them to assess the losses suffered by looting. Some banks' books *have been destroyed, but have* alternative microfilm records intact on deposits and outstanding advances.

One British banker, formerly based in Beirut, said "It will never be known accurately how much Western banks lost through looting of vaults and safety deposit boxes. But private checks with my counterparts at other banks indicate that $500m. could be a conservative estimate. One British bank alone is thought to have lost around $100m."

Some bankers fear overall losses by banks may never be fully recovered from their insurance companies, because of the question of whether Lebanese strife invalidated cover. This may eventually have to be the subject of legal ruling, bankers said.

Underwriting sources at Lloyds of London, which handled a portion of the reinsurance business created in Lebanon, *believe that a full state of war* existed for the purposes of defining cover. This could invalidate the banks' policies, they said.

But banks argue that some U.S. and French insurers, which covered much of the risks, had continued to accept premiums well after the civil unrest started.

Reuter

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Up 11 on economic hopes

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Dec. 6.

SHARP WIDESPREAD gains developed on Wall Street to-day, partly reflecting anticipation of economic stimulus by President-elect Carter's Administration when it takes over in January.

The Dow Jones Industrial Average moved up a further 11.22 to 961.77 and the NYSE All Common Index advanced another 44 cents to $55.64, while rises led falls by more than a three-to-one majority. Trading volume expanded 2.19m. shares to 24.83m.

Carter's Budget Director-Designate, Bert Lance, said Carter would almost certainly recommend a tax cut, although Carter said he still hasn't made up his mind.

The Stock Market was also helped by a report that U.S.

MONDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Sony	385,700	9⅛	+⅛
Commw'lth Edison	219,000	32	—⅛
Bank America	214,400	27⅞	+⅛
U.S. Industries	214,200	7⅝	—⅛
Gulf Oil	213,800	28¼	+⅛
Fed. Nat. Mort.	195,100	16⅝	—⅛
Handy Harman	189,200	20⅛	+1½
Texaco	180,500	26⅞	+¼
Occidental Petrolm.	178,600	21	—⅛
Southern Co.	169,600	16	+⅛

capital spending rose in the third quarter to $122.55bn. from $118.12bn. in the second quarter.

In addition, some leading companies anounced sharp increases in their own planned spending for 1977—most notably Bethlehem Steel, which plans a 50 per cent. rise in its 1977 outlays and said "We believe we have passed the low point of incoming orders."

Drugs recovered some of their recent losses. Bristol-Myers gained $1¾ to $63¾, Eli Lilly $1¾ to $46, G. D. Searle $⅛ to $12⅛, Smithkline $1½ to $74¾, Upjohn $1½ to $36⅞ and Merck $2 to $67.

Virginia Electric and Power added $¼ at $15—it obtained a $65.9m. annual rate increase.

The American SE Market Value THE AMERICAN SE Market Value Index gained 0.82 to 100.97, while advances led declines by 4p42 to 258.

U.S. Steel put on $1⅜ to $48⅞ and Bethlehem $2 to $39⅜.

Coppers were weak on bearish comment.

OTHER MARKETS

Canada up again

Canadian Stock Markets gained further ground in light trading yesterday. Only Papers, off 0.45 to 104.07 on index, moved against the general trend.

The Industrial Share Index rose 1.37 to 168.20, Golds 6.31 to 306.80, Base Metals 0.34 to 78.20, Western Oils 1.09 to 202.82, Utilities 0.90 to 138.67 and Banks 1.36 to 225.46.

Alcan Aluminium gained $¾ to $24, Massey-Ferguson $1 to $22¾ and Texaco Canada $1 to $21¾.

PARIS—Generally firmer.

Banks were higher, foodstuffs were rather mixed, but Hutchison and Michelin each gained ground in Rubbers.

Constructions rose, led by Poclain, while Hotels declined, led down by Jacques Borel.

Stores and Electricals were mixed, while Metals firmed.

Americans and Dutch shares were mixed, Germans, Oils and Golds rose, while Coppers were irregular.

BRUSSELS — Mixed in moderately active trading.

Steels finished irregular, Electricals and Utilities tended higher, while Non-Ferrous Metals, were easier.

Ebes rose B.Frs.20 to 2,070—it expects higher 1976 profits and hopes to pay an increased dividend.

Most U.S stocks were modestly higher and Germans improved, but the French and Dutch sectors were lower. South African Gold Mines rose.

AMSTERDAM — Substantially lower in brisk trading.

Philips shed Fls.0.3 to 25.5—it it expects more workforce cuts next year.

Banks and Insurances declined, while an irregular trend developed in Transportations. Holland-America Line Holding firmed Fls.0.30 and KNSM Group Fls.1.

Dutch Industrials fell heavily. Bols dipped Fls. 3, KBB Bijenkorf Department Stores Fls.2.30 and KSH Foodstuffs and Farina Products Fls.1.10. Heineken dropped Fls.8.10 despite its higher profits.

GERMANY—Most shares gained slightly on some Investment Fund demand.

Among major Chemicals and Electricals, Bayer and Siemens each rose DM1.70 while, in Steels, Mannesmann put on DM2 and Thyssen DM1.4.

Motors were steady to higher, Banks mostly steady, while Heavy Engineerings and Stores were mixed.

Public Bonds firmed by up to DM0.40 and the Regulating Authorities sold DM11.5m. nominal of stock. Foreign Mark Loans were maintained.

SWITZERLAND — Markets moved higher, with sentiment aided by the week-end Referendum results which renewed the Emergency Decree governing monetary and crdit policy and rejected shortening of the working week.

Major Banks showed minor gains in an active turnover. Financials rose, Insurances were predominantly higher and Industrials improved.

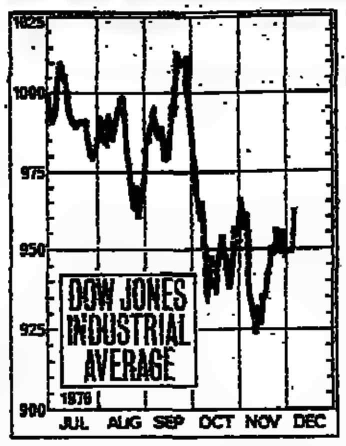
Dollars stocks generally firmed in moderate trading. Dutch Internationals were virtually unchanged, Germans also firmed slightly.

VIENNA—Generally steady. Constructions continued narrowly mixed.

MILAN—Flat, up L164 to L2,264, led another sharp upward session with gains averaging 3 per cent. in active trading.

Bonds were steadier.

COPENHAGEN—Mixed with dealings moderate. Communications and Insurance higher. Commodities mixed, Shippings higher, Industrials mixed to slightly lower.



OSLO—Industrials and Insurances were slightly steadier. Bankings firm, Shipping slightly mixed.

JOHANNESBURG—Gold shares were generally firm in line with overseas bullion indications.

Financial Minings were slightly easier, Coppers were quietly firmer, while Platinums were ocassionally off. Other Metals were unchanged to harder.

HONG KONG—Lower in sluggish trading.

Hong Kong Banks were down 10 cents to $HK18.30, Hong Kong Land 15 cents to $HK6.95, Hutchison 2½ cents to $HK3.10, Wheelock "A" 7½ cents to $HK2.65, Jardine 10 cents to $HK16.50, Hong Kong Electric 2½ cents to $HK46.75, China Light 10 cents to $HK17.80, and Hong Kong and Kowloon Wharf 10 cents to $HK14.80.

TOKYO — Market recovered sharply, after the early downturn, on "cheap buying" by Institutional investors. Volume 200m. shares.

Civil Engineerings, Housings, Pharmaceuticals and some Foodstuffs were higher, but Petroleums, Real Estates and Shippings were lower.

AUSTRALIA — Minings and stocks with earnings abroad were strong, but otherwise markets closed mixed.

Among Uraniums, Pancontinental gained 10 cents to $8.00 and Ocean Resources 1 cent. to 26 cents.

Bougainville rose 3 cents to 1.20, BH South 7 cents to 1.35, North Broken Holdings 3 cents to 1.01 and Hamersley 20 cents to 2.80.

£ and $ decline

The renewed strength of the West German mark tended to depress the U.S. dollar and sterling in the foreign exchange market yesterday. Tight monetary policy by the German authorities, combined with the easier trend in U.S. interest rates, has reversed the dollar's interest rate advantage over the D-mark, and the pound has been caught up in the switch from dollars into the German currency.

Euro-dollar interest rates were again close to their lowest levels this year, while the market remains nervous ahead of any conclusion to the loan negotiations between the U.K. and the International Monetary Fund.

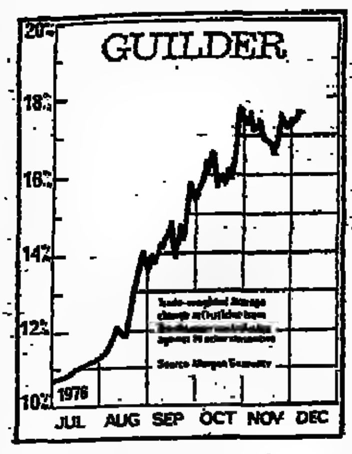
Sterling opened at $1.6625-$1.6635, and fell to a low point of $1.6530-1.6540 at lunch. It improved slightly in the afternoon and closed at $1.6565-1.6575, a fall of 60 points on the day.

The pound's trade-weighted average depreciation since the Washington Currency Agreement, as calculated by the Bank of England widened to 43.4 per cent. from 45 per cent., after standing at 45.3 per cent. at noon and 45.1 per cent. in early dealings.

The dollar's trade-weighted change since the Washington Agreement, as calculated by Morgan Guaranty of New York, reverted to a depreciation of 0.03 per cent., from an appreciation of 0.03 per cent. on Friday.

Heavy sales of dollars by the Bank of Japan prevented a sharp fall overnight by the yen. Uncertainty about the political situation after the Japanese election was the immediate cause of the pressure on the yen.

Gold gained $3¼ to $134¾-135 on optimism ahead of to-morrow's gold auction by the IMF.



SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	Dec. 6	Dec. 3
Sterling	0.694737	0.691809
U.S. dollar	1.15111	1.16087
Belgian franc	42.1767	42.2954
Deutschemark	2.75771	2.76893
French franc	5.75440	5.74819
Italian lira	996 171	995.501
Japanese yen	342.801	341.400
Dutch guilder	2.87790	2.88660
Swedish krone	4.81106	4.82078
Swiss franc	2.81608	2.83276

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

GOLD MARKET

	Dec. 6
Gold Bullion (fine ounce)	
Close	$134¼-135
Opening	$133-133¼
Morning fix'g	$133.00 (£80.299)
Afternoon fix'g	$134.00 (£80.957)
Gold Coins domestically	
Krugerrand	$138½-140½ (£83½-84½)
New Sov'r'gns	$47½-49½ (£29-30)
Old Sov'r'gns	$44-46 (£27.28)
Gold Coins (Intern'nally)	
Krugerrand	$137½-139½ (£83-84)
New Sov'r'gns	$47½-49½ (£29.30)
Old Sov'r'gns	$43-45 (£26½-27½)
$20 Eagles	$222-225

FOREIGN EXCHANGES

Dec. 6 1976	Bank Rates %	Market Day's Spread
New York	5½	1.6530-1.6635
Montreal	9	1.6980-1.7080
Amsterdam	6	4.15-4.18
*Brussels	9	60.40-61.80
Copenhagen	11	9.69-9.78
Frankfurt	3½	3.95-4.01
Lisbon	6½	52.15-52.85
Madrid	7	113.00-115.90
Milan	15	1,451-1,460
Oslo	6	8.64-8.77
Paris	10½	8.28-8.33
Stockholm	8	6.90½-6.97½
Tokyo	6½	490-500
Vienna	4	28.10-28.60
Zurich	2	4.04-4.08

* Basic discount. † Rates giv convertible franc. ⊕ Financial 60.50.

OTHER MARKETS

⊕Argen'na	434.75-434.85
Australia	1.6280-1.6457
Brazil	19.81-20.81
Finland	6.52-6.54
Greece	61.010-62.556
Hng Kong	7.6626-7.6875
Iran	114-117
Kuwait	0.471-0.481
Luxemb'g	60.55-61.75
Malaysia	4.1985-4.2100
N. Zealand	1.6172-1.6353
Saudi Arab.	5.78-5.88
Singapore	4.0615-4.0785
S. Africa	1.4535-1.4495
U.S.— Canada.	
U.S. cents	97.28-97.31

Notes: Argentina, Austria, Belgium, Brazil, Canada, Denmark, France, Germany, Greece, Italy, Japan, Netherl'nds, Norway, Portugal, Spain, Switz'land, U.S., Yugoslavia

* Basic discount. ◆ Rate gi rate.

EXCHANGE CROSS-RATES

Dec. 6	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Fr'nkfu't	—	2.3934-40	47.80-90	6.535-540	3.956-965	95.70-80	97.90-98.0
N. York*	41.72-74	—	20.0-02	2.727-731	1.6610-6620	39.98-40	40.86 88
Paris	208.475-875	4.994-.004	—	13.639-663	8.275-300	199.9-200.3	204.30-70
Brussels	15.27-31	36.62-66	7.32-34	—	60.64-77	14.64-68	14.96-15.0
London	3.96¼-97¼	1.6565-75	8.27¼-28¼	60.55-61.75	—	4.14-16	4.04¼.05¼
Am'rd'm	104.235-335	2.4982.5007	49.965-.015	6.8275-65	4.1425-75	—	102.20-35
Zurich	102.10-16	2.4438-45	48.87-90	6.6725-75	4.0435-65	97.72-80	—

U.S.$ in Montreal. U.S.$ = 102.66-72 Candian cents.
Canadian $ in New York. C$ = 97.37-40 U.S. cents. U.S.$ in Milan 865.10-865.40
Sterling in Milan 1434.00-1434.60.

EURO-CURRENCY INTEREST RATES*

Dec. 6 1976	sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
Short term	17-17½	4⅛-4¾	5-6	7-7½	5⅛-5⅜	⅜-⅝
7 days' notice	16¼-16¾	4½-4¾	5½-6½	7-7½	5⅛-5⅜	⅛-⅜
Month	16-16½	4⅝-5⅛	5⅝-6⅛	7⅛-7⅜	5¼-5½	1⅛-1⅜
Three months	16-16½	4⅞-5⅛	5⅝-6⅛	6⅞-7⅜	5¼-5½	1¾-2⅛
Six months	15⅛-15⅝	5-5¼	5⅝-6⅛	6¾-7¼	5⅜-5⅝	2⅛-2⅜
One year	14⅞-15¼	5⅜-5⅝	5⅝-6⅛	6⅝-7⅛	5⅜-5⅝	2¼-2½

Euro-French deposit rates: two-day 10½-10¾ per cent.; seven-day 10¾-10⅞ per cent.; one-month 11¼-11½ per cent.; three-month 12-12½ per cent.; six-month 12½-12⅞ per cent.; one year 12-12½ per cent.

Longer-term Eurodollar deposits: two years 6¼-6⅝ per cent.; three years 6½-7 per cent.; four years 7¼-7½ per cent.; five years 7¼-7¾ per cent.

The following rates were quoted for London dollar certificates of deposit: one-month 4⅞-4⅞ per cent.; three-month 4 13/16-4 15/16 per cent.; six-month 4 15/16-5 1/16 per cent.; one year 5⅛-5¼ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two days' notice for guilders and Swiss francs. ‡ Following 17.5 per cent. devaluation. "dis" Discount.

FORWARD RATES

	One month
New York	1.78-1.68 c. pm
Montreal	1.20-1.10 c. pm
Amst'dam	3⅛-2⅛ c. pm
Brussels	30-10 c. pm
Cop'nhg'n	2 ore p.m.-par
Frankfurt	4-3 pf. pm
Lisbon	50 c. pm-10 c. dis
Madrid	70-170 c. dis
Milan	par-15 lire dis
Oslo	4¾-2¾ ore pm
Paris	4¼-3¼ c. pm
Stockh'lm	3½-1½ ore pm
Vienna	28-18 gro pm
Zurich	5½-4½ c. pm

Six-month forward U.S. dolla pm and 12-month 11.85-12.75c

Indices

NEW YORK—DOW JONES

	Dec. 6	Dec. 3	Dec. 2	Dec. 1	Nov. 30	Nov. 29	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrial	961.77	950.55	948.64	949.38	947.22	950.05	1014.79 (21/9)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (8/7/32)
Home B'nds*	91.46	91.32	91.09	90.88	90.57	90.58	91.46 (6/12)	86.66 (15/7)	—	—
Transport	231.01	228.59	228.28	227.20	226.72	225.57	231.27 (14/7)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	104.20	105.14	101.86	101.71	101.77	101.89	104.28 (6/12)	84.8 (26/5)	163.32 (20/4/69)	10.50 (28/4/42)
Trading vol 000's ‡	24,830	22,840	25,800	21,860	17,050	16,780	—	—	—	—

* Basis of index changed from July 1.

Ind. div. yield %	Dec. 3	Nov. 26	Nov. 22	Year ago (approx.)
	4.30	4.26	4.24	4.67

STANDARDS AND POORS

	Dec. 6	Dec. 3	Dec. 2	Dec. 1	Nov. 30	Nov. 29	1976 High	1976 Low	Since compilation High	Since compilation Low
* Industrials	115.72	114.23	115.82	114.13	115.77	114.10	120.89 (21/9)	101.64 (2/1)	134.64 (11/1/73)	3.52 (30/6/32)
†Composite	103.65	102.76	102.12	102.49	102.10	102.44	107.83 (21/9)	90.90 (2/1)	121.44 (11/1/73)	4.40 (1/6/32)

	Dec. 1	Nov. 24	Nov. 17	Year ago (approx.)
Ind. div. yield %	3.78	3.77	3.84	3.84
Ind. P/E Ratio	11.15	11.64	11.35	12.09
Long Govt. Bond yield	5.28	5.33	5.56	6.08

N.Y.S.E. ALL COMMON

Dec. 6	Dec. 3	Dec. 2	Dec. 1	1976 High	1976 Low
55.64	55.20	54.87	55.03	57.51 (21/9/76)	47.06 (2/1/76)

Rises and Falls	Dec. 6
Issues Traded	1,928
Up	1126
Down	384
Same	418
New Highs	147
New Lows	8

MONTREAL

	Dec. 6	Dec. 3	Dec. 2	Dec. 1	1976 High	1976 Low
Industrial	165.24	164.44	163.56	162.86	207.55 (19/3)	161.34 (30/11)
Combined	167.44	165.89	164.74	163.62	189.78 (20/5)	164.16 (30/11)
TORONTO Industrial	168.20	166.83	166.24	164.38	197.45 (20/2)	162.72 (30/11)
JOHANNESBURG Gold	175.5	171.5	172.0	171.7	228.7 (12/3)	[illegible]
Industrials	174.3	174.2	174.2	174.0	[illegible] (21/5)	172.6 (30/11)

	Dec. 6	Previous	1976 High	1976 Low
Australia (a)	417.34	412.26	522.66 (19/8)	404.89 (26/11)
Belgium (b)	93.27	92.66	116.18 (3/2)	87.16 (25/10)
Denmark (d)	97.97	97.74	117.70 (19/6)	96.43 (1/12)
France (e)	53.8	53.4	74.6 (5/5)	51.6 (1/12)
Germany (f)	724.5	720.0	821.7 (17/3)	687.1 (29/10)
Holland (g)	79.9	81.9	105.6 (5/2)	77.9 (15/10)
Hongkong (h)	399.56	402.36	465.56 (17/5)	314.26 (1/1)
Italy (k)	75.61	73.57	91.57 (23/2)	64.93 (10/11)
Japan (m)	352.87	351.04	379.61 (1/8)	326.28 (7/1)
Singapore (n)	—	245.72	288.16 (3/2)	236.36 (2/1)
Spain (p)	—	77.18	100.79 (7/5)	72.22 (11/11)
Sweden (q)	366.87	369.45	476.85 (10/6)	366.41 (6/11)
Switz'rl'd (r)	271.4	268.8	298.6 (1/4)	260.5 (1/11)

Indices and base dates (all base values 100 except NYSE All Common—50, and Standards and Poors—10; (a) Sydney All Ord. (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73 (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73 (m) Tokyo New SE 4/1/68. (n) Straits Times 1966 (p) Madrid SE 31/12/74. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp 31/12/58. (u) Unavailable. ‡ Excluding bonds. * 400 Industrials. † 400 Inds., 40 Utilities, 40 Finance and 20 Transport (c) Closed.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £—119% (118¼%).

NEW YORK

Stock	Dec. 6	Dec. 3
Abbot Labs.	48	47⅜
Addressograph	11⅛	11⅛
Aetna Life & Cas	34⅞	34⅜
Air Products	31⅝	30¾
Airco	28⅝	28⅛
AlcanAluminium	23⅛	22½
Alcoa	55¾	52⅝
Allegheny Ldlm.	36⅞	36⅜
Allegheny Power	21⅞	21¾
Allied Chemical	35⅛	34¼
Allied Stores	48¾	48⅛
Allis Chalmers	25⅛	24¼
Amax	55	54¾
Amerada	27¾	27⅝
Amer. Airlines	13⅜	13¼
Amer. Brands	42	42⅛
Amer. Broadcast.	38¼	37⅞
Amer. Can	37⅝	37¼
Amer. Cyanamid	27	27⅛
Amer. Elec. Pow.	23½	23⅝
Amer. Express	40¾	40¾
Amer. Home Prod	30	29⅜
Amer. Medical	11½	11
Amer. Motors	3¼	3¾
Amer. Nat. Gas	41¼	40⅝
Amer. Standard	28⅛	28
American Stores	30¾	30¼
Amer. Tel. & Tel.	62¾	62⅞
AMF	19⅛	19
Ampex	7	6¾
Anaconda	27⅝	28
Anchor Hocking	28⅜	28¼
Anheuser Busch	21⅞	23⅛
Armco Steel	29	28¾
A.S.A.	22¾	22⅜
Asamera Oil	11⅛	11⅜
Asarco	14⅞	15
Ashland Oil	32	31⅝
Atl. Richfield	59⅝	58¾
AVC	9⅜	9⅜
Avco	13½	13½
Avis	10⅞	10⅝
Avon Products	47¾	47⅛
Balt Gas Elect.	27⅜	28⅛
Bank America	27⅞	27
Bankers Tr. N.Y.	35	34
Barber Oil	30¼	30¾
Baxter Travenol	39	38½
Beatrice Foods	28⅛	28
Becton Dickinson	33⅜	33
Bell & Howell	18	18¼
Bendix	44⅜	44¼
Benguet Cons "B"	1½	1½
Bethlehem Steel	39⅜	37⅜
Black & Decker	18⅝	18
Boeing	43⅝	42½
Boise Cascade	32⅜	32⅛
Borden	33	33
Borg Warner	26⅞	26⅞
Braniff Int	11	10⅞
Brascan 'A'	11¾	11⅞
Bristol Myers	63¾	62⅜
Brit. Pet ADR	12⅞	12⅞
Brockway Glass	32¼	32⅝
Brunswick	15⅜	15
Bucyrus Erie	25⅞	25⅜
Budd	19	18¾
Bulova Watch	6⅜	6¾
Burlington Nthn	47	45⅞
Burroughs	90⅝	90¾
Campbell Soup	36⅜	36
Canadian Pacific	15⅜	15
Canal Randolph	8	8
Carnation	78	77
Carrier & General	13¾	13⅝
Carter Hawley	20⅝	20⅛
Caterpillar Tractr	56⅝	57
CBS	57	56¼
Celanese Corpn	47⅛	46½
Central & S.W.	17⅝	17⅛
Certain Teed	20⅝	20⅞
Cessna Aircraft	29	28¾
Chase Manhattan	27⅞	27⅝
Chemical Bk. NY	39	38½
Chesebrgh Pond.	25½	26⅛
Chessie System	39¾	38⅝
Chicago Bridge	54	54½
Chromalloy	15⅝	13¾
Chrysler	18⅞	18⅝
Cinerama	1¾	1¾
Cinc Milacron	32⅜	32
Citicorp	31½	31
Cities Service	59⅝	58⅞
City Investing	13¾	13¾
Coca Cola	77½	78⅜
Colgate Palm	26¼	26½
Collins Aikman	11⅝	11⅝
Columbia Gas	28⅜	27⅞
Columbia Pict	7¼	6⅝
Com Ins Co of Am	13⅝	13½
Combustion Eng.	46¼	45½
Comw'th Edison	32	31⅝
Comw'th Oil Ref.	7½	7¾
Comm. Satellite	30⅝	29
Con. Edison N.Y.	20⅛	20⅛
Consol Foods	24⅞	24⅜
Consol Nat. Gas	33¾	33¾
Consumers Power	21¼	21½
Continent'l Gro'p	33	32⅝
Continental Oil	37⅛	37
Continental Tele.	16½	16
Control Data	23	22¾
Cooper Indus.	37⅞	37¼
Copper Range	19¾	19½

Stock	Dec. 6	Dec. 3
Corning Glass	71	70¾
CPC Int'nation'l	45¼	44⅞
Crane	26¼	25⅜
Crocker Nat.	25⅞	25⅞
Crown Zellerbach	44⅛	44
Cummins Engine	45⅝	44¼
Curtis-Wright	16⅛	16¼
Dana	25⅝	24¾
Dart Industries	34¾	34⅜
Deere	30¼	30¼
Del Monte	27⅜	26⅞
Deltona	3⅝	3⅝
Dentsply Inter.	31⅞	31¼
Detroit Edison	15⅛	14⅞
Diamond Shamrk	65⅞	65⅜
Dictaphone	11⅝	11¼
Digital Equip.	55	54⅛
Disney (Walt)	46¼	44¼
Dover Corpn	38¼	38¼
Dow Chemical	39⅜	39⅛
Dresser	39¾	38⅝
DuPont	127¼	125⅛
Dymo Industries	9½	9⅝
Eagle Picher	36⅝	36⅞
East Air Lines	9	9⅛
Eastman Kodak	84½	85⅜
Eaton	40½	40¼
E.G. & G.	17¼	16¼
El Paso Nat. Gas	14⅛	14
Eltra	28⅞	29⅛
Emery Air Fr'ght	38¼	38⅜
Emhart	34¾	34⅜
E.M.I.	3⅜	3⅝
Engelhard	32⅝	32
Esmark	34⅝	34
Ethyl	42	40¾
Exxon	51⅜	51
Fairchild Camera	41⅛	39⅞
Fed. Dept. Stores	48¼	48⅜
Firestone Tire	23⅜	23⅜
Fst. Nat. Boston	27½	27⅝
Flexi Van	11⅛	10¾
Flintkote	22¼	22⅛
Florida Power	30⅜	30⅛
Fluor	37	37
F.M.C.	23	22¼
Ford Motor	56⅞	56
Foremost-Mck.	14⅛	14
Foxboro	49⅛	48½
Franklin Mint	28¾	28¾
Freeport Minerals	28½	28¼
Fruehauf	26⅛	26
Fuqua Industries	11⅜	11⅛
G.A.F.	13	12⅞
Gannett	39⅜	38½
Gen. Amer. Inv.	10⅝	10¾
GATX	30⅛	29⅝
Gen. Cable	10⅝	10½
Gen. Dynamics	53⅞	53⅞
Gen. Electric	50⅞	51
General Foods	31⅝	30⅝
General Mills	34¾	34⅞
General Motors	72	71⅝
Gen. Pub. Util.	18¾	18¾
Gen. Signal	31½	30½
Gen. Tel. Elect.	30⅛	30
Gen. Tire	25⅛	25⅜
Genesco	5¼	5½
Georgia Pacific	35⅛	35
Getty Oil	194	188
Gillette	26⅞	27
Goodrich B.F.	25¼	25¼
Goodyear Tire	23⅛	23
Gould	26⅞	26¾
Grace W. R.	27⅜	27¼
Grand Union	15⅝	15⅜
Gt. Atlan Pac Tea	12⅜	12¼
Grt. North Iron	16	15⅞
Greyhound	14⅜	14½
Grolier	1¼	1¼
Grumman	16½	16½
Gulf & Western	17¼	17
Gulf Oil	28¼	28⅛
Halliburton	65⅞	65¾
Hanna Mining	47	46¼
Harnischfeger	17¼	17⅛
Harris Corpn	56¼	54⅞
Heinz H. J.	28¾	29½
Heller W. E.	19⅛	19⅜
Heublein	40½	40½
Hewlett Packard	89½	88½
Holiday Inns	12	11⅞
Homestake	38	37⅝
Honeywell	44½	44
Hoover	11⅜	10⅝
Hosp Corp Amer.	25¼	24⅝
Houston Nat. Gas	31¾	31¼
Hutton E.F.	16⅞	16
I.C. Industries	20½	20⅞
INA	44⅝	44⅛
Ingersol Rand	73⅛	73
Inland Steel	47	46¼
Insilco	14	14
IBM	275	271.87
Intl. Flavors	21⅛	20¼
Intl. Harvester	31¼	31¼
Intl. Min & Chem	39½	39¼
Intl. Multifoods	16⅝	16⅝
Inco	30¼	29½
Intl. Paper	64½	64⅜
IPG	30¼	28¾
Intl. Tel. & Tel.	32⅛	32¼
Invest	1	1
Iowa Beef	35¼	35¾
IU International	10⅜	10½
Jim Walter	39⅜	38⅞

Stock	Dec. 6	Dec. 3
Johns Manville	34¾	34⅝
Johnson Johnson	75	75⅜
Johnson Control	26⅜	26¼
Joy Manufactu'g	46½	46
Kaiser Alumin'm	32½	32⅝
Kaiser Industries	13	13⅛
Kaiser Steel	27¼	27
Kay	3⅞	4
Kennecott	26¼	26¼
Kerr Magee	69¾	69½
Kidde Walter	29	29⅛
Kimberly Clark	41	41¾
Koppers	22⅞	22⅝
Kraft	44⅛	44⅛
Kresge	42¼	41⅞
Kroger Co.	24⅝	25¾
Levi Strauss	27⅜	27⅛
Libby Ow Ford	54⅛	53¾
Liggett Group	32⅛	32
Lily (Eli)	46⅜	44¾
Litton Indust.	14	13¾
Lockheed Aircraft	6¾	6⅞
Lone Star Inds.	22⅛	21¾
Long Island Ltd.	18¼	18¼
Louisiana Land	27⅜	26⅛
Lubrizol	62¾	62
Lucky Stores	15⅜	14⅜
L'kes Youngst'wn	12⅜	13¼
MacMillan	8⅛	8
Macy R. H.	36⅛	32⅜
Mfrs Hanover	37¾	38
Mapco	43½	42½
Marathon Oil	54	54¼
Marine Midland	9⅛	9¼
Marshall Field	20⅜	20½
May Dept. Stores	34½	34⅜
MCA	37¼	36⅝
McDermott	48¼	46¾
McDonnell Doug.	22¾	22⅞
McGraw Hill	15¾	15⅞
Merck	67	66
Merrill Lynch	24⅞	24⅜
MGM	14¼	14⅛
Minn Ming & Mfg	56¼	56
Mobil Corp.	61¼	61
Monsanto	80	79
Morgan J. P.	55	54¼
Motorola	50⅝	50⅝
Murphy Oil	23⅛	22⅝
Nabisco	46	45¾
Nalco Chemical	32½	31¾
National Can	16⅜	14
Nat. Distillers	23⅜	23⅛
Nat. Service Ind.	14	13⅞
National Steel	42⅜	42
Natomas	44⅛	44⅞
NCR	35⅛	35
Neptune Int	16¾	16⅝
New England El.	22⅛	22¾
New England Tel.	33⅛	33⅞
Niagara Mohawk	14½	14¼
Niagara Share	11⅜	11⅜
N. L. Industries	19¾	19¾
Norfolk & Western	31⅛	31
North Nat. Gas	44⅜	44⅝
Nrhn States Pwr.	28⅜	29
Nthwest Airlines	30⅛	30⅛
Nthwest Bancorp	51¼	50¾
Norton Simon	20½	20
Occidental Petrol	20⅛	21½
Ogilvy Mather	26¾	26½
Ohio Edison	20¼	20¼
Olin	32⅛	32¼
Overseas Ship	24½	23⅜
Owens Corning	64	63
Owens Illinois	54⅝	52⅞
Pacific Gas	25½	25⅜
Pac. Lighting	19	18⅞
Pac. Pwr. & Lt.	22½	22¼
Pan Am World Air	4¾	4¾
Parker Hannifin	34	33⅞
Peabody Galion	22⅛	21⅞
Penn Pw & Lt.	21½	21⅞
Penney J. C.	54¾	54¾
Pennzoil	32	31¾
Peoples Drug	8⅛	8¼
Peoples Gas	44⅜	43¼
Pepsico	82½	82
Perkin Elmer	20⅞	21
Pet	28⅝	28⅝
Pfizer	27	26⅛
Phelps Dodge	36⅝	37⅛
Philadelphia Elec	17	17
Philip Morris	62⅛	61¾
Phillips Petrol'm	62¼	61⅞
Pickwick Inter.	16⅝	16⅜
Pillsbury	41½	39¼
Pitney Bowes	15¼	14¾
Pittston	36⅝	34½
Plessey Ltd ADR	6¼	6¼
Polaroid	37½	36⅝
Potomac Elec.	13⅜	13⅜
PPG Industries	53⅝	52¼
Procter Gamble	94⅜	94
Pub. Serv. Elect.	22⅝	22½
Pullman	31¾	32
Purex	18¾	18¾
Quaker Oats	23⅛	23½
Rapid American	4⅜	4⅛
Raytheon	60¾	59¾
RCA	28¾	24⅞

Stock	Dec. 6	Dec. 3
Republic Steel	30⅞	30⅝
Revlon	43⅝	43½
Reynolds Metals	36⅝	35⅞
Reynolds R. J.	65⅛	65⅛
Rich'sons Merrel.	24¼	23¾
Rockwell Inter.	31⅝	30¾
Rohm & Haas	46	45¼
Royal Dutch	48⅜	47⅞
Russ Togs	11⅜	10¾
Ryder Systems	15¼	12⅞
Safeway Stores	46⅛	46⅜
St. Joe Minerals	41	40¼
St. Regis Paper	36⅛	36¾
Santa Fe Inds.	38	37⅝
Saul Invest	5⅞	5⅞
Saxon Inds.	4⅜	4¼
Schlitz Brewing	16⅝	16½
Schlumberger	98¼	98¼
SCM	22	21¾
Scott Paper	18¼	18
Scovill Mfg.	22	21⅝
Scudd'r Duo Vest	7⅛	7
Sea Containers	23¼	23¼
Seagram	22	21¼
Searle (G.D.)	12⅛	11⅞
Sears Roebuck	69¼	69⅜
SEDCO	31	30½
Shell Oil	75⅛	75½
Shell Transport	27¼	26⅞
Signal	22¾	22⅛
Signode Corp	41⅛	39
Simplicity Pat	15⅝	15½
Singer	17⅛	17
Solitron	1¾	1¾
Southdown	14	14
Southern Cal. Ed.	22¼	22
Southern Co.	16	16⅛
Sthn. Nat. Res.	46⅞	46⅜
Southern Pacific	34½	34⅞
Southern Railw'y	59¾	59¾
Southland	26⅝	26⅞
Sperry Hutch	16⅝	16¼
Sperry Rand	43⅞	43⅜
Squibb	28¼	27¼
Standard Brands	29	28⅞
Std. Oil California	37¾	37⅜
Std. Oil Indiana	65⅛	64⅝
Std. Oil Ohio	78⅞	78⅞
Stauff Chemical	44	43
Sterling Drug	16⅜	15⅝
Studebaker	42½	42½
Sun Co.	43⅞	43¼
Sundstrand	36	34⅜
Syntex	21⅞	20¾
Tandy	38	37⅝
Technicolor	4¾	4⅝
Tektronix	64	64
Teledyne	69⅞	68⅝
Telex	2⅝	2⅝
Tenneco	34¼	34½
Tesoro Petroleum	15⅛	15¼
Texaco	26⅞	26⅝
Texasgulf	27¾	27¾
Texas Instm.	104¼	102⅞
Texas Oil & Gas	27⅝	26¾
Texas Utilities	21¾	22
Time	49¾	48½
Times Mirror	20¼	20⅛
Timken	49	48½
Trane	35	35⅜
Transamerica	13¾	13⅞
Trans Union	36½	35⅜
Transway Int'rnl	20⅞	20¼
Trans World Air.	12	12
Travelers	36⅞	36⅞
Tri Continental	20	19⅞
T.R.W.	33¼	32⅝
20th Century Fox	10⅝	10½
UAL	27	26⅝
UARCO	20⅛	19¾
UGI	17⅛	16⅞
UOP	13¾	13½
Unilever Ltd	25	24¾
Unilever NV	44¾	44¾
Union Bancorp	11½	10⅝
Union Carbide	56⅞	56¼
Union Commerce	6⅞	6¼
Union Oil Cal.	56¾	56⅛
Union Pacific	99¾	99¼
Unionamerica	1⅝	1⅝
Uniroyal	8¾	8¼
United Brands	7½	7¼
United Corp	9⅛	9⅛
US. Bancorp	27⅛	27⅜
US. Gypsum	25⅛	25⅜
US. Industries	7¾	7⅝
US. Shoe	26	25⅞
US. Steel	48⅞	47½
U. Technologies	36⅜	35⅞
Utah Int'l	65⅜	65¼
UV Industries	65¼	65⅛
Virginia Elect.	15	14¾
Walgreen	16⅝	16¾
Warner Commun.	23⅞	23¼
Warner-Lambert	28⅛	28
Waste Man'ment	13¾	13⅛
Wells-Fargo.	24⅞	24⅛
Western Bancorp	28⅝	28⅛
Western N. Amer.	15¼	15
Western Union	18⅛	18⅞
Westingh's Elect	15⅞	15¾
Westvaco	28	27⅞
Weyerhaeuser	46⅝	46¼
Whirlpool	27½	26⅞
White Cons. Inds.	25⅝	25¼
Williams Co.	25⅛	25⅛
Wisconsin Elect.	29½	29
Woolworth	24	23⅞
Wyly	1⅝	1¼

Stock	Dec. 6	Dec. 3
Xerox	58⅞	58⅜
Zapata	12⅝	12⅜
Zenith Radio	26⅜	26
Chile 5% 1993	†91½	†91½
U.S. Treas4% 1980	†95½	†95¾
USTreas4¼% 75/85	†85⅞	†85⅞
U.S. 90 Day bills	4.55	4.56

CANADA

Stock	Dec. 6	Dec. 3
Abbey Glen Prop	6⅜	6⅜
Abitibi Paper	9⅝	9½
Agnico Eagle	4.25	4.15
AlcanAluminium	24	23¼
Algoma Steel	16⅜	16½
Asbestos	†23	†22¾
Bank Montreal	14⅞	14⅛
Bank Nova Scotia	39¾	39
Basic Resources	8	8
Bell Telephone	47⅜	47
Bow Valley Inds	19¾	19⅝
BP Canada	7⅛	7⅛
Brascan	11⅞	12⅛
Brinco	†5.50	†5.25
Calgary Power	31	31
Canada Cement	8¼	8
Canada N/W Land	6⅛	6¼
Can Imp Bk Com	25	24¾
Canada Indus	17	†18½
Can. Pacific	15⅜	15⅛
Can. Pacific Inv.	17	16½
Can. Super Oil	36½	38¼
Carling O'Keefe	2.80	2.78
Cassiar Asbestos	8½	8½
Chieftain Dev.	11	11⅜
Cominco	34⅞	34¼
Cons. Bathurst	26⅝	26⅞
Consumer Gas	12¾	14⅞
Costain Rich	7⅛	†7
Decca Resources	6⅛	6
Denison Mines	58	57¼
Dome Mines	45¼	44½
Dome Petroleum	54⅞	54⅝
Dominion Bridge	17¼	17⅝
Domtar	15⅜	16¼
Dupont	13¼	13
Falcon'ge Nickel	32¼	32⅝
Ford Motor Can.	†63	67
Genstar	21⅛	21
Giant Yel'wknife	†7⅛	7¼
Gulf Oil Canada	21⅛	22¼
Hawker Sid. Can.	4.30	4.40
Hollinger	27½	28
Home Oil 'A'	25¼	25
Hudson Bay Mng	16	15¾
Hudson Bay	13⅞	13⅞
Hudson Oil & Gas	33	32½
I.A.C.	14⅝	14⅝
Imasco	†21¾	21¾
Imperial Oil	19	18⅞
Inco	31	30½
Indal	13	12½
Inland Nat. Gas	9⅛	9⅛
Int'pr'v Pipe Line	13⅛	12¾
Laurnt'n Fin Corp	6	6⅛
Loblaw Com. 'B'	2.60	2.70
Mc'mill'm Bloedl	22⅛	22⅜
Massey Ferguson	22¾	21¾
McIntyre Porcupine	28⅜	28
Moore Corpn	34⅜	34½
Noranda Mines	28	27⅞
Norcen Energy	10¼	10¼
Nthn Telecom	30⅞	30¾
Numac Oil & Gas	9½	9⅜
Oakwood Petr'm	1.20	1.20
Pacific Copper M	1.01	†1.02
Pacific Petroleum	25¾	26¼
Pan. Can. Pet'm	22¼	21½
Patino	†15⅛	†15⅜
Peoples Dept. S.	4.05	4.05
Place Gas & Oil	0.34	0.32
Placer Developmnt	17¾	16½
Power Corporat'n	7⅝	7⅝
Price	10⅛	10¾
Quebec Sturgeon	0.73	0.70
Ranger Oil	15¼	15⅛
Reed Shaw	6⅛	†6⅛
Rio Algom	27	26¾
Royal Bk. of Can.	24¾	24½
Royal Trust	16⅜	16¼
Seagrams	22½	22
Shell Canada	13⅜	13½
Sherritt G Mines	8⅛	8⅛
Siebens O.G.	12¼	12¼
Simpsons	5¼	5⅜
Steel of Canada	24½	24
Steep Rock Iron	1.85	1.85
Sunningdale Oil	†15⅛	†15⅜
Talcorp	†11¼	†11¼
Texaco Canada	21¾	20¾
Toronto Dom. Bk.	18	18
TransCanPipe Ln	12⅛	12⅜
Trans. Mount Oil	9	9
Trizec	†10	a10½
Union Gas	8⅛	8⅞
United Corp "B"	†11½	11½
Walker Hiram	25⅛	25¾
West Coast Trans	24¾	24⅛
Western Geo.	10¾	11

‡ Asked. * Assented † Bid § Traded. n New stock.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM50 denom. unless otherwise stated
♥ Ptas.500 denom. unless otherwise stated
♣ Kr.100 denom. unless otherwise stated.
⊕ Frs.500 denom. unless otherwise stated.
¶ Yen 50 denom. unless otherwise stated.
§ Price at time of suspension. a Florins. b Shillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs: including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex Scrip issue. xa ex all. A Interim since increased.

GERMANY ◆

Dec. 6	Price Dm.	+ or —	Div. %	Yld. %
A.E.G.	81.9	+0.6	—	—
Allianz Versich.	380	—1	18¾	2.4
B.M.W.	211	+5	18	4.3
B.A.S.F.	158.6	+1.1	14	4.5
Bayer	137	+1.7	14	5.1
Bayer Hypo.	286	—0.5	20	3.5
Bayer Vereinsbk.	286.5	—1.5	20	3.5
Commerzbank	194.5	+0.5	18	4.6
Conti. Gummi	68.9	—0.6	—	—
Daimler	351		17	2.6
Degussa	253.5	+0.7	18	3.5
Demag	143.5	—1.4	16	5.5
Deutsche Bank	287.4	+0.6	20	3.5
Dresdner Bank	229		20	4.5
Dyckerhoff Zemt.	128	+2.5	6	2.3
Gutehoffnung	174	—1	14	4.0
Hapag Lloyd	105	—0.5	12	5.7
Harpener Dm100	144		9	3.2
Hoechst	138.9	+1.4	14	5.1
Hoesch	46.2	+0.2	—	—
Kali Salz (Dm50)	100		7	3.5
Karstadt	336.5	+1.5	y20	2.9
Kaufhof	217	—3	20	4.5
Klockner (Dm100)	91	—0.1	—	—
Klock Humbolt	141	+1.8	10	3.5
Krupp Pri (Dm100)	96	—1.8	—	—
Kundenkredit Bk	250	—3	20	4.0
Linde	305.5	+2.5	16	4.0
Lowenbrau Dm100	1,870		30	1.0
Lufthansa	92.5	+0.4	4	2.1
M.A.N.	165	+1.5	12	3.6
M'esmann Dm. 50	171.5	+2	a7	4.1
Metallgesellsch't	212		10	—
Munch. Ruckvers	423		18	2.2
Neckermann	47.7	+1.5	y—	—
Preusag Dm. 100	140	—1	7	5.0
Rhein West Elect	161	+1.5	17	5.0
Schering	289.5	—2.5	20	3.4
Siemens	261	+1.7	16	2.7
Sudzucker	259	+3	19	3.7
Thyssen	116.5	+1.6	14	6.1
Verein & West Bk.	308		20	2.9

PARIS

Dec. 6	Price Frs.	+ or —	Div. Frs.	Yld. %
Afrique Occid'tle	387.5	—0.5	19.8	5.1
Air Liquide	329.5	—1.5	16.5	5.0
Aquitaine	275	—7	22.5	8.5
Begoin	69.9	+0.3	—	—
B.S.N. Gervais	479	—16	37.8	7.9
Carrefour	1,521	—17	57	4.3
Chargeurs Reunis	167.5	—1	16.5	9.9
Citroen	40	+0.5	y—	—
Cie Bancaire	285	+10	12	4.2
C.G.E.	258	—0.5	25.9	9.6
CreditCom.Fr'nce	97.2	+1.1	10.9	10.8
Credit Foncier	285	+2.4	29¼	10.3
Denain N.E.	66.9	+2.1	18.75	28.0
Fr. Petroles	96.8	+0.9	14.1	14.5
Gal. Lafayette	53.9	+0.2	—	—
Gen. Occidentale	172	—0.5	8.25	3.5
Imetal	88.5	—2	4.95	5.0
Lafarge	188	—1.5	15.75	8.4
L'Oreal	870	—12	15	1.8
Machines Bull	26.4	—0.1	1.5	5.8
Michelin "B"	1,173	+4	30.6	2.6
Moet Hennessey	441.5	—8.5	11.85	2.7
Paribas	144	+1	18¾	11.4
Pechiney	71.5	+1	7.5	10.5
Peugeot (Frs. 70)	202	—0.2	15	7.5
Printemps	41.6	—0.1	—	—
Redoute	578	—1	22.5	3.9
Rhone Poulenc	70.4	—0.8	9	12.8
Sacilor S.A.	33.6	—0.4	—	—
Suez	197	—1.5	24	12.2
Thomson Brandt	168	—2	14.25	7.6
Usinor	35.7	—0.2	—	—

AMSTERDAM

Dec. 6	Price Fls.	+ or —	Div. %	Yld. %
Ahold (Fl.20)	81.7	—2.1	20	4.9
Akzo (Fl.20)	25.8	—1.1	—	—
Algem Bnk (Fl.100)	282	—1.5	21	7.6
AMEV (Fl.10)	50	—0.6	a38	7.6
Amro Bank (Fl.20)	65	—0.1	21	6.1
Van Berkels (Fl.50)	110	+5	12	6.9
Bijenkorf (Fl.20)	87.5	—1.5	21	4.7
BokaWest'm Fl.10	103	—3	57½	5.4
Buhrm-Tetterode	66.7	—2.1	25	6.7
Elsevier (Fl.20)	260	—10	18	1.3
Ennia N.V. Bearer	101.2	—1.8	a28½	5.5
EuroComTst Fl.10	60.6	+1.5	30.4	5.3
Gist Brocades Fl.10	48	—2.6	20	4.0
Heineken (Fl.25)	133.5	—8.1	14	2.5
Holland Fund	116.5xd		6.96	5.9
Hoogovens (Fl.20)	36.7	—0.8	—	—
H'nter Douglas Fl1	25		11	4.4
I.H.C. Holland	12.7	—0.8	10	8.0
K.L.M. (Fr.100)	94.8	—5.2	—	—
Int. Muller (Fl.20)	33.6	—0.6	10	5.9
Naarden (Fl.10)	39	—0.1	—	—
Nat. Ned. Ins'rnce	80.3	—1.2	20	4.3
Ned Cred Bk (Fl20)	44.7	—0.1	18	8.0
Ned Midbk (Fl.50)	134.8	—1.3	17	6.2
Neto (Fl.50)	78.5	+2.5	10.5	7.3
Nijverdale T. Cate	34.9	+1.9	—	—
OCE. (Fl.20)	164	—2.5	a28	3.4
Van Ommeren	161.8	+1.6	10	—
Pakhoed (Fl.20)	78	—3	20	4.7
Philips (Fl.10)	25.5	—0.3	14	5.4
Rijn Schl Ver Fl.100	58.7	+0.7	18	30.3
Robeco (Fl.50)	176.5	+0.5	25.2	7.1
Rolinco (Fl.50)	129xd	+1	6	1.8
Rorento (Fl.50)	121.1	+0.3	a6.5	4.2
Royal Dutch (Fl20)	119.2	+0.2	45.75	7.7
Slavenburg's Bnk	249	—0.5	19	7.6
Stevin Grp. (Fl20)	88.6	—0.1	25	5.6
Tokyo Pac Hlgs $1	90		$0.5	1.5
Unilever (Fl.20)	112.3	—0.3	38¼	6.4
Viking Res. Int. $1	35.5	+0.7	$0.20	1.7
VMF Stork	75	—1	14	17.8

MILAN

Dec. 6	Price Lire	+ or —	Div. Lire	Yld. %
Alitalia Priv.	480	+9	—	—
ANIC	472	+42	—	—
Ausonia Fin.	3,050	+10	120	4.4
Bastogi	980	+10	—	—
Breda	2,070	+95	105	5.3
Burgo	8,600	+90	—	—
Centrale	5,860	+175	—	—
CIGA	1,750	+80	—	—
Cucirini	4,715	+25	233	4.9
Dalmine	675	+25	75	1.0
Erba	750	+30	—	—
Fiat	2,264	+164	100	5.6
Do. Priv.	1,465	+175	100	6.9
Finsider	241	+7.5	—	—
Generali	40,240	+1,240	600	12.8
Invest B.	2,085	+85	80	4.0
Italcementi	16,200	+60	300	2.1
Italgas	749	+4	—	—
Italsider	326	+14	60	1.9
La Centrale	7,670	+480	400	5.2
Marelli Ercole	365.5	+6.5	—	—
Mediobanca	72,510	+700	1,200	1.4
Mondadori Priv.	955	+5	—	—
Montedison	348	+3	—	—
Olivetti Priv.	975	+15	70	7.5
Pirelli C.	1,636	+20	110	7.5
Pirelli Spa	1,257	+17	—	—
RAS	66,700	+1,400	600	1.1
Rinascente	56.75	+3.25	—	—
Rumianca	1,669	+4	—	—
S.A.F.F.A.	6,500	+201	200	5.7
S.T.E.T.	1,475	+45	180	1.2
Snia Viscosa	1,218	+18	—	—
Soc. Gen. Immob.	126	+6	—	—
Unidal	375	+15	—	—

BRUSSELS/LUXEMBOURG

Dec. 6	Price Frs.	+ or —	Div. Frs. Net.	Yld. %
Arbed	3,150	—90	150	—
BBL Bq Brx Lamb	1,550		40	2.7
Bekaert "B"	1,890	—5	105	5.6
CBL (Cte Br Lamb)	1,770	+10	110	6.1
C.B.R. Cement	1,370	—26	75	10.6
Cockerill	630	+10	—	—
E.B.E.S.	2,070	+20	181	7.7
Electrobel	6,000	+50	400	6.7
Fabrique Nat.	1,800	+50	100	6.7
G.B. Inno-Bm.	1,570	+45	70	4.5
Glace St. Roch	3,720	+70	80	1.6
Hoboken	5,100		110	3.5
Intercom	1,660	+25	129	7.7
Kreditbank	6,060	+90	245	3.9
La Royale Belge	4,410	—40	285	6.2
Pan-Holding	2,610		82.15	3.3
Petrofina	4,345	+45	170	4.0
Photo Gevaert	1,092	+12	75	6.6
Pieux Franki	4,370		275	6.2
Soc. Generale	2,070	—20	175	7.3
Soc. Gen. Banque	2,400	—5	175	6.9
Sofina	3,000		195	6.5
Solvay 'A'	2,550	+45	170	6.8
Traction Elec.	2,740	+80	150	5.6
U.C.B.	1,920	+50	125	6.7
Un. Min. (1/10th)	970	—10	70	7.0
Vieille Montagne	3,010	—35	150	11.3
Wagons Lits	540	+8	20	6.5

SWITZERLAND⊕

Dec. 6	Price Frs.	+ or —	Div. %	Yld. %
Aluminium	1,305	+20	6	2.1
Bally Hld.	1,710	+40	—	—
BBC 'A'	1,560	+10	10	3.3
Ciby Geigy	1,265	+20	22	1.8
Do. Do. Part.	1,010	+25	22	2.3
Do. Do. Reg.	600	+9	22	3.7
Credit Suisse	2,650	+25	16	3.1
Fischer (George)	600	+9	—	—
G'nd. Mag. Jel Fr1	1,170	—20	19	4.8
Hoffman La Roche	78,500	+500	550	0.7
Interfood B.	2,325	+50	20	4.3
Landis Gyr B (F200)	650		—	—
Nestle	3,445	+45	a78.8	2.3
Do. Reg.	1,910	—10	a78.5	4.2
Sandoz (F250)	4,775	+25	26	1.4
Saurer Arbon	765	+5	8	5.2
Soc. Inte. Pirelli	179	+1	14	7.8
Swissair (F350)	610	+2	5.7	3.2
Swiss Bank Corp.	396	+4	10	2.0
Un. Banken Switz.	3,085xr	+25	20	3.2
Winterthur Br.	1,755	+5	30	1.8
Zurich Ins. Br.	9,325	+25	40	1.9

COPENHAGEN

Dec. 6	Price Kroner	+ or —	Div. %	Yld. %
Andelsbanken	155½		a10	6.4
Burmeister & W.	178¼		—	—
Danske Bank	139	+1	12	8.6
Dan Provinsbank	151¾	+1	11	7.1
East Asiatic Co.	276¼	+¾	12	3.2
Finansbanken	130½	+½	13	10.0
For. Bryggerier	360		12	3.1
Handelsbank Cop	140½	+1	11	7.1
Papirfabrik For.	94¾	—¼	15	12.3
G. Northern Hld.	207½	—1	12	6.4
Nord Kabel	214¾	—1¾	12	5.6
Oliefabrik	130½	—1½	12	9.1
Privatbank	150	+1½	11	7.3
Soph. Berendsen	282	+2.5	11	4.3
Superfos	237½		12	3.7

VIENNA

Dec. 6	Price %	+ or —	Div. %	Yld. %
Creditanstalt	344		10	2.9
Perlmooser	334	+2	9	2.4
Selecta	662xd	+1	48	6.8
Semperit	153		—	—
Steyr Daimler	161	+4	5	3.2
Veit Magnesit	351	—1	22	6.2

AUSTRALIA

Dec. 6	Aust. $	+ or —
ACMIL	†0.65	
Acrow Australia	†0.75	+0.05
Adelaide Brighton Cement	†1.16	—0.04
Allied Mnig-Trdg. Indus. $1	†1.48	+0.03
Ampol Exploration	†1.05	+0.05
Ampol Petroleum	†0.59	—0.07
Assoc. Minerals	†2.10	—0.01
Assoc. Pulp Paper $1	†0.74	—0.01
Assoc. Con. Industries	†1.40	+0.10
Aust. Foundation Invest.	†0.80	
A.N.I.	†1.10	
Aust. Oil & Gas	†0.09	
Blue Metal Ind.	†0.75	+0.01
Bougainville Copper	†1.20	+0.03
Broken Hill Proprietary	†6.58	+0.16
BH South	†1.35	+0.17
Carlton United Brewery	†1.65	
G. J. Coles	†1.26	+0.05
CSR ($1)	†3.60	+0.03
Cons. Goldfield Aust	†1.50	
Container ($1)	†1.35	—0.05
Conzinc Riotinto	†2.85	+0.15
Costain Australia (25c)	†1.60	—0.15
Dunlop Rubber ($1)	†0.93	
ESCOR	†0.75	
Elder Smith ($1)	†1.75	—0.05
E.Z. Industries	†2.70	+0.05
Gen. Property Trust	†1.18	
Hamersley	†2.80	+0.20
Hill-60 Uranium NL	†0.14	
Hooker	†0.19	—0.01
I.C.I. Australia	†1.68	+0.03
I.A.C. Holdings	†0.75	—0.01
Inter-Copper	†0.30	
Jennings Industries	†1.28	—0.03
Jones (David)	†0.85	+0.02
Metals Exploration	†0.38	+0.05
MIM Holdings	†2.50	[illegible]
Myer Emporium	†1.75	—0.02
News	†1.75	+0.05
Nicholas International	†0.79	+0.02
North Broken H'dings (50c)	†1.01	+0.05
Oakbridge	†0.95	
Oil Search	†0.09	—0.02
Pioneer Concrete	†1.09	+0.04
Reckitt & Colman	†3.10	—0.20
H. C. Sleigh	†0.54	+0.01
Southland Mining	†0.26	
Stocks & Holdings	†3.0	
Tooth ($1)	†1.55	
Waltons	†0.64	—0.03
Western Mining (50 cents)	†1.65	+0.05
Woolworths	†1.06	+0.04

TOKYO¶

Dec. 6	Prices Yen	+ or —	Div. %	Yld. %
Asahi Glass	320	+8	14	2.2
Canon	563	+12	—	—
Dai Nippon Print	557	+14	18	1.6
Fuji Photo Film	721	+6	15	1.0
Hitachi	205	+6	10	2.4
Honda Motors	680	+55	18	1.3
C. Itoh	275	—1	12	2.2
Ito-Yokado	1,700	—30	30	0.9
Japan Airlines	2,010	—20	—	—
Kansai Elect. Pw.	685	+1	9	6.6
Komatsu	305	+3	18	3.0
Kubota	330	+2	15	2.3
Matsushita Ind.	636	+31	20	1.6
Mitsubishi Bank	278	—1	10	1.8
Mitsubishi Heavy	122	—1	12	4.9
Mitsubishi Co.	416	—4	13	1.6
Mitsui & Co	423	+3	14	1.7
Mitsukoshi	446	—1	20	2.2
Nissan Motor	563	+23	16	1.4
Pioneer El'ctronic	2,500	+80	30	0.6
Sanyo Electric	207		12	2.9
Shido	1,270		25	1.0
Sony	2,560	+60	30	0.6
Tashio Marine	305	—5	11	1.8
Takeda Chemical	239	+13	15	3.1
Teijin	123		12	4.9
Tokio Marine	456	—2	11	1.2
Tokyo Elect. Pwr.	566	+3	10	7.5
Toshiba	115	+2	10	4.3
Toray	126		12	4.8
Toyota Motor	1,030	+60	16	0.8

Source Nikko Securities, Tokyo.

STOCKHOLM

Dec. 6	Price Kroner	+ or —	Div. Kr.	Yld. %
AGA AB (Kr.50)	192	+4	5.5	2.7
Alfa Laval B (Kr50)	140	—4	5	3.6
Asea (Kr50)	118	+1	6½	4.6
Atlas Copco (Kr25)	144	—5	5	3.9
Billerud	170	—5	8½	5.0
Bofors	259		9	3.7
Cardo	320	—5	11	3.3
Cellulosa	273	—2	9.6	3.5
Electrolux 'B'	130	—1	5	3.4
Ericsson B (Kr50)	97	+1.5	6½	—
Fagersta	155		8	5.5
Granges (free)	67		11	1.5
Handelsbanken	247	+3	16	6.6
Marabou	140		10	7.1
Mo Och Domsjo	149		10	6.9
Sandvik A.B.	238		7	5.2
S.K.F. 'B' (Kr 50)	93.5	—1.5	4.5	4.9
Skand Enskilda	220	+3	14.5	6.8
Tandstik 'B' K50	75.5	—1	5	6.8
Uddeholm	110	—1	9	8.0
Volvo (Kr 50)	96.5	—1	6	6.3

OSLO

Dec. 6	Price Kroner	+ or —	Div. %	Yld. %
Bergens Bank	111	+1.5	9	8.5
Borregaard	102	+0.5	6	3.8
Creditbank	122	+1	10	8.1
Kosmos	545		20	3.7
Kreditkassen	119	—1	10	8.3
Norsk Hydro Kr80	268	+5	12	2.7
Orkla Ind.	81	—1.5	—	—
Storebrand	135		10	7.4

BRAZIL

Dec. 6	Price Cruz	+ or —
Banco Brasil PP.	4.84	—0.11
Belgo Mineira OP	2.70	—0.1
Brahma PP	1.50	—0.0
Docas Santos OP	0.90	—0.04
Docas Amer OP	4.00	—0.1
Petrobras PP	2.32	—0.11
Samitri OP	3.16	
Mannesman OP	2.35	—0.0
Souza Cruz OP	2.85	—0.0
Vale Rio Doce PP	2.44	—0.0

Vol. Cr.82.2m. Shares 2
Source—Rio de Janeiro

JOHANNESBURG

MINES

December 6

- Anglo American Corpn.
- Charter Consolidated
- East Driefontein
- Elsburg
- Harmony
- Kinross
- Kloof
- Rustenburg Platinum
- St. Helena
- Southvaal
- Gold Fields SA
- Union Corporation
- De Beers Deferred
- Blyvooruitzicht
- East Rand Pty.
- Free State Geduld
- President Brand
- President Steyn
- Stilfontein
- Welkom
- West Driefontein
- Western Holdings
- Western Deep

INDUSTRIALS

- African Explos. and Chem.
- Anglo-Amer. Industrial
- Barlow Rand
- CNA Investments
- Currie Finance
- De Beers Industrial
- Edgars Consolidated Inv.
- Edgars Stores
- EverReady SA
- Federale Volksbeleggings
- Greatermans Stores
- Guardian Assurance (SA)
- Huletts
- LTA
- McCarthy Rodway
- NedBank
- OK Bazaars
- Premier Milling
- Pretoria Cement
- Protea Holdings
- Rand Mines Properties
- Rembrandt Group
- Retco
- SAPPI
- C. G. Smith Sugar
- Sorec
- SA Breweries
- Tiger Oats and Nail. Mlg.
- Unisec

SPAIN ♥

December 3	Per cent
Asland	181
Banco Lopez Quesada	456
Banco Bilbao	554
Banco Atlantico (1,000)	432
Banco Central	570
Banesto (250)	439
Banco Exterior	314
Banco General	334
Banco Granada (1,000)	316
Banco Hispano	395
Banco Iberico	442
Induban	410
Banco Ind Cat. (1,000)	310
Banco Mercantil (1,000)	305
Banco Occidental	285
Banco Popular	420
Banco Santander (250)	585
Banco Urquijo (1,000)	440
Banco Vizcaya	455
Banco Zaragozano	705
Bankunion	270
Banus Andalucia	268
Altos Hornos	114.2
Babcock Wilcox	81
CIC	296
Dragados	383
Inmobanif	130
E. I. Aragonesas	104
Espanola Zinc	130
Expl. Rio Tinto	225
Fecsa (1,000)	104
Fenosa (1,000)	105
Finanzauto SA	257
Finanzauto Servicios	266
Gal. Preciados	294
Grupo Velazquez (400)	315
Hidrola	109.5
Iberduero	124
Motor Iberica	218
Olarra	286
Papeleras Reunidas	177.5
Petroliber	215
Petroleos	342.5
Sarrio Papalera	105
Sniace	78
Telefonica	134
Tubacex	335

صكنا من الاصل

FARMING AND RAW MATERIALS

Cocoa and coffee up again

By Richard Mooney

COFFEE FUTURES prices on the London terminal market reached further peak levels yesterday. The March position closed £24 up on the day at £1,668.5 a tonne after reaching £1,677 at one stage.

Dealers attributed the rise to a continuation of Friday's late buying interest coupled with New York's firm close. Reports of increases in Brazil's soluble coffee export tax and a new outbreak of coffee rust disease in Nicaragua also encouraged the advance.

The Nicaraguan Agriculture Ministry said rust had been found on plantations two kilometres from the original outbreak. Only a few trees are affected so far but armed troops are maintaining a cordon around the area.

Neighbouring countries have also tightened up border controls to keep the disease out. Powers also exist to restrict airline flights from Central America to airports in Colombia's coffee zones.

The recovery in London cocoa futures prices continued yesterday and the March position reached £2,000 a tonne before closing £48 up on the day at £1,986 a tonne. March cocoa has now advanced over £220 a tonne in under a week.

There was no significant fundamental news to explain the rise, which dealers attributed to continued "bullish" sentiment.

Argentine hope for higher wheat exports

BUENOS AIRES, Dec. 6.

LOW INTERNATIONAL wheat prices may result in a larger share of the export market for Argentina, Sr. Mario Cadenas Madariaga, the Secretary of Agriculture, said.

In a television interview he said that Argentine farmers feared that the fall in international wheat prices and a record Argentine crop of about 12m. tonnes expected this year might hinder export prospects and cut earnings.

However, with the world wheat price down to as much as $92 a tonne, Argentina was still able to produce wheat and farmers were still able to make a profit.

Sr. Cadenas Madariaga said in 1976-77 farmers would earn for the country $1.8bn. more than in the previous season by increasing the area planted with grains and oilseeds, better yields per hectare and improved international prices.

Silkin promises to curb food price increases

FINANCIAL TIMES REPORTER

MR. JOHN SILKIN, the Minister of Agriculture who becomes president of the EEC Farm Ministers Council next month, yesterday attacked the "total inefficiency" of the Common Market's farm policy and promised to curb food price rises.

Speaking at the Royal Smithfield Show at Earl's Court, London, he said Britain's farming methods were the most advanced in the Common Market but high EEC food prices were subsidising bad production in other parts of the Community.

This was his reply to the EEC criticism that Britain's green pound is artificially high.

"We shall do our damndest to keep the rate of food price increases below the 20 per cent. rise we have had this year," he declared.

In general, food prices would have to go up because the value of the pound had decreased over the past six months.

"What the Government, and I as Minister, have to do is keep the price rises that we cannot avoid as low as we reasonably can." This meant that the "green pound" would stay where it was at the moment.

This did not mean that the "green pound" was not an extremely useful bargaining counter, however. Mr. Silkin said that it was not the "currency" that had got the EEC's farm policy into trouble.

"Long before the 'green pound' got into question there were structural surpluses and mountains of one sort or another, where food was accumulating largely because the consumer could not afford to buy it.

"As far as the U.K. is concerned, we are not prepared to see a situation where mountains of milk and butter go right up and then have to be flogged-off cheap to the Russians. It does not make any sense at all to us."

"As for the so-called subsidising of Britain's food, the fact is that Britain is paying right over the odds for things it will never need — like the subsidies on wine, olive oil and milk powder," he added.

"We have to get on to a sane basis, and that means a CAP (Common Agricultural Policy) in which we have eliminated all the surpluses of food — they should never have happened and they are a sign of inefficiency — through paying the right price for the right kind of efficient production.

"The most efficient farm production in Europe is British. I am sorry to say that but it happens to be true. Anything that aids increased production here must be right. And if there are inefficient countries that have to do a little contracting, then so be it."

Asked to comment on his attitude to the next round of EEC farm prices, Mr. Silkin said, "What is good for Britain is good for the Community.

"As far as I am concerned, the trouble with Community prices at the moment—and dairy prices in particular—is that they subsidise inefficient, bad production from parts of Europe that are 100 years behind us, and do nothing for the British industry."

The Agriculture Minister and the Prime Minister had a "working dinner" last night with leaders of the farming and food industries to discuss future policies.

EEC fishing cutback planned

BY ROBIN REEVES

BRUSSELS, Dec. 6.

AN AVERAGE cutback of 5 to 10 per cent. in the fishing catches of EEC fleets next year is envisaged in the Brussels Commission's plan for a temporary EEC common fisheries regime in 1977, based mainly on quotas, to come into force on January 1 after the adoption of 200-mile limits.

Details of the proposed interim regime, now being studied in national capitals, are being kept under tight wraps. But a Commission spokesman stressed here to-day that the proposed shareout was based broadly on the 1976 quotas agreed with the North East Atlantic Fisheries Commission (NEAFC).

As such, the interim regime aims to maintain the status quo as far as possible and to take no account of British and Irish demands for exclusive national fishing bands up to 50 miles offshore.

The 5 to 10 per cent. cutback, purely in the interests of conservation of fish stocks, is by comparison with this year's NEAFC quotas, but there are favourable adjustments for the U.K. and Irish fishing fleets in line with the Hague agreement among foreign ministers of the Nine in October. The spokesman refused to reveal how favourable.

Ireland's proposed quota is understood to allow for a 20 per cent. increase in its catch next year, but no comparable figure for the U.K. was immediately available. Officials stress that the plan has 13 pages of complicated statistics to show how fishing in the Community's "pool" should be shared out, making a snap judgment impossible.

The Commission's plan also offers a method for side-stepping immediate confrontations with trawlers from the Soviet Union and other Eastern Bloc countries, which are so far refusing to asknowledge the EEC's planned adoption of 200 mile limits.

It suggests that the Council of Ministers, when it meets to discuss the interim regime plan on December 14, could simply agree to impose fishing quotas autonomously on those countries which choose to ignore community jurisdiction.

South Africa sea zone

BY JOHN STEWART

CAPE TOWN, Dec. 6.

THE GROUNDWORK for a series of bilateral agreements between South Africa and foreign nations with traditional rights in the offshore area affected by South Africa's intention to declare a 200-mile fishery zone will be laid in Malaga during the next ten days at a conference of the International Convention for South-East Atlantic Fishery (ICSEAF).

According to senior Government officials, no firm plan to accommodate the traditional rights of foreign fishing nations in the 200-mile zone has been devised as yet.

But they stress that the South African Government is determined to avoid any misunderstanding about the new dominant role it intends to play in the exploitation of the area's resources.

Officials said to-day that terms reached with fishing nations about their continued operation in the area would be purely on South Africa's terms.

Downturn in tin prices

By Peter Bullen

THE START of another meeting of the International Tin Council in London yesterday was marked by a fall in tin prices on the London Metal Exchange.

The fairly modest fall was seen as a reaction to last week's rises that had been made in anticipation of the ITC announcing increases in its price ranges.

By the close, standard cash tin was down £27.5 to £4,987.5 a tonne. The 290 tonne fall in LME stocks to 6,090 tonnes was in line with expectations and had little effect on prices.

Earlier Reuter reported from Kuala Lumpur that Mr. Paul Leong, the Malaysian Deputy Primary Industries Minister, had called for the ITC to bring about "a better and more realistic relationship between prices and costs of production."

He said production costs for Malaysian gravel pump miners had risen 10.4 per cent. in the past year to an average of 1,008.03 Ringgit per picul. This compares with the present ITC floor price of R1,000 per picul.

The latest costs of production for open-cast, underground and dredging sectors also showed increases of 32.4, 11.8 and 12.2 per cent. over the cost for the same period last year, he said.

LME copper prices regained some of the loss sustained last week despite a rise of 1,400 tonnes in stocks to 593,825 tonnes. Cash wirebars closed at £758.5 a tonne, a rise of £10.75 on the day.

A drop of 2,750 to 102,700 tonnes in zinc stocks plus some heavy buying of cash metal lifted the cash price to a peak of £372½ during the day. It closed at £370.5 a tonne, £4 up on balance.

The lead market had a quiet day with cash metal closing only 0.75 up at £274 a tonne and stocks, as expected, were put at 68,850 tonnes, up 1,400 tonnes.

Malaysian palm oil export duty raised

KUALA LUMPUR, Dec. 6.

THE MALAYSIAN Government raised the export duty on palm oil to 198.40 ringgit per tonne, effective December 1; from 178.68, reports Reuter. The export surcharge was also raised to R39.65 per tonne from R33.60.

The increases were based on a rise in the gazetted price for palm oil to R1,051.3461 per tonne for December from R995.5056 for November.

UNCTAD COMMODITIES PROGRAMME

Sharp differences on integrated fund

BY DAVID EGLI IN GENEVA

THE FIRST round of preparatory talks aimed at the negotiation next year of a common fund for financing international buffer stocks underlined the sharp differences of approach between the various countries involved.

The U.S. delegate told the meeting, which ended over the week-end, that his country did not agree to the principle of a common fund and saw no basis at present for a positive judgment on the need for common financing.

He said the report by the secretary-general of the U.N conference on trade and development "pre-judged" the issue.

Several other industrialised countries were less than enthusiastic about the basic concept of a common fund, and their collective view was that the preparatory technical meetings should study not how to negotiate a common fund—a task which will be tackled next March—but examine the different ways of responding to the problems "to which the idea of a common fund addressed itself."

Options

Canada said that a fund of this kind was but one of a number of possible solutions to the problems of commodity trade. There were other options, the Canadian delegate pointed out, such as mandatory producer-consumer financing of buffer stocks within those individual commodity agreements containing such stocks.

There was also the possibility of a central fund through financial linkages among established buffer stocks.

The overall EEC view was sufficiently vague to leave all options open at this stage. A spokesman merely indicated that the recent meeting at The Hague had confirmed the EEC's resolve to search for satisfactory solutions of the problems under consideration in the North-South dialogue.

Against the generally hesitant, or outright negative, views of the industrialised countries, the developing countries firmly stated that the purpose of the encounter "could not be anything else" but to enable the negotiating conference on the fund to achieve its work.

The common fund as proposed by Unctad constituted, for these countries, "the central and integrating element of the integrated programme for commodities."

As part of the exercise to implement this integrated programme a preparatory meeting began here to-day, also under Unctad auspices, on hard fibres—sisal, henequen, abaca and coir — total exports of such fibres and their related manufactures amounted to more than $550m. in 1975.

As with other commodities, Unctad is pushing for agreements to stabilise the market for these fibres, which would include international buffer stocks supported by export quotas designed to insulate the market from temporary surpluses and shortages, and thus stabilise prices at levels which are competitive and yet provide adequate returns for producers.

The fundamental conflict between the two main price objectives: profitability for producers and competitiveness with rival synthetic fibres, is not resolved in the draft offered by Unctad.

Realistic

It is felt that a realistic initial objective for sisal is to halt the present decline in demand and stabilise the market at near current levels.

Tentatively Unctad believes that this would require a stock of 150,000-180,000 tons with a ratio of fibre to twine, at present of seven to three. This would cost something in the region of $75m. And an additional $31m. would be required for a similar stabilisation operation for coir.

A stock for abaca of some 8,000-11,000 tons would cost in capital terms around $4.4m. to $6.6m. These tentative ideas are likely to be firmed up as the talks progress.

Unctad has now arranged for a very heavy programme of such preparatory meetings in the New Year. These start with rubber in January, to be followed by jute, copper, tropical timber, manganese, cotton and vegetable oilseeds and oils by mid-year.

By that time it is hoped that there will be a rather more precise idea on whether a common fund is going to see the light of day and under what conditions. For the time being, however, and largely as a result of the "integrated" approach, such meetings tend to lose contact with the harsh realities of financing.

Common Market dairy surplus build-up

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE EEC, with only 13 per cent. of the world's dairy cows last year produced 25 per cent. of the milk, 28 per cent. of the butter, 29 per cent. of the cheese, and 45 per cent. of the milk powder manufactured in the world.

The Community also dominated world trade with between 63 and 71 per cent. of the main milk products, the majority of which is inter-Community trading, with Britain as the main importer.

These are only a few of the facts to emerge from *EEC Dairy Facts and Figures, 1976*, published yesterday by the Milk Marketing Board.

Production of milk is still rising, and consumption of all products except chees is falling, in the EEC. Only in Britain was the consumption of liquid milk per head at the same level last year as in 1975. In Germany, Holland and Denmark, it has fallen by 35 to 40 per cent.

For butter also, U.K. consumption has remained roughly static, but in Holland it has fallen by 40 per cent. and in Denmark and Germany by 20 per cent. The significant rise in cheese consumption in no way makes up for the decline in other products.

The report underlines the structural efficiency of the larger herd size in Britain—which, at 41, is three times that in the rest of the EEC. But size is not the only criterion of efficiency. In terms of yield per cow, Britain is third after Holland and Denmark, and in recorded herds Britain is behind Germany and only just ahead of Italy and Luxembourg.

It is also significant that although the number of EEC dairy farmers has been more than halved over the last 15 years in the Community, the number of cows is still about the same, whereas total milk production has risen by 25 per cent and still seems to be rising.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Firmer on the London Metal Exchange in a reaction to last week's falls. Forward metal opened at £788 but fell to a low of the day at £782 on backing sales. There was some support at the lower levels and in the afternoon the price eased to a close on the Kerb ...

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars Cash	750-.5	+7	758-9	+10.7
3 months	782.5-3	+8.5	790-.5	+11.5
Settlem't	750.5	+7	—	......
Cathodes Cash	738-.5	+7	745.7	+11.3
3 months	770-.5	+8.5	770-.8	+12.2
Settlem't	738.5	+7	—	......
U.S. Prm.	—	......	70-74	......

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £749.5, 50.5, three months £783, 82, 3 ...

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	4935-40	—75	4965-90	—27.5
3 months	5130-5	—57.5	5170-5	—25
Settlem't	4940	—75	—	......
Standard				
Cash	4935-40	—75	4965-90	—27.5
3 months	5120-30	—60.5	5165-60	—50.5
Settlem't	4940	—75	—	......
Straits E.	£21,515	—15	—	......
New York	—		—	......

TIN—Weaker following a lower Eastern price overnight and some heavy hedge selling, which set off some bull liquidation, in the morning. Forward metal started at £5,170 and traded down to £5,125 before it found some stability. In the afternoon U.S. interest set off some covering and this allowed the price to climb to a close of £5,155 on the Kerb. Turnover, 1,055 tonnes.

Morning: Standard, cash £4,945, 40, three months £5,150, 30, 25. Kerb: Standard, ...

Barley—EEC Feed/Canadian No. 2 Dec. and Jan. £91.00 East Coast.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, very steady. Close: Jan. 82.70, March 85.45, May 88.00, Sept. 92.30, Nov. 95.30. Business: Jan. 82.65-82.30, March 85.35-85.00, May 88.00-87.60, Sept. 92.30-91.70, Nov. 94.80-94.40. Sales: 111 lots. Barley, very steady. Close: ...

£220, tossa BTB £248, BTC £239, BTD £222. Calcutta goods steady. Quotations c and f U.K. for Dec. and Jan. shipment 10-ozs. 40-inch £8.65, 7½-ozs. £8.89 per 100 yards. Feb.-March £8.67, £8.81. "B" Twills £25.70, £26.39 for the respective shipment periods. Yarn and cloth prices firm.

Veal: Dutch hinds and ends 67.0 to 71.0.

Lamb: English small 40.0 to 48.0, medium 40.0 to 46.0, heavy 40.0 to 44.0; Scotch medium 40.0 to 46.0, heavy 40.0 to 44.0, hill 40.0 to 46.0. Imported frozen: NZ PL 47.5 to 48.0, YLs 45.5 to 48.0.

Pork: English, under 100 lbs 32.0 to ...

SOYABEAN MEAL

SUGAR

WOOL FUTURES

SILVER

COFFEE

RUBBER

COCOA

GRAINS

JUTE

MEAT/VEGETABLES

PALM OIL

LONDON PALM OIL terminal market. On a quiet day with no trades a firm undertone was maintained with light trading in the Rotterdam physical market at unchanged levels. Dec. 294-291, Feb. 294-290, April 294-290½, June 293½-233, August 296-295, Oct. 298-288, Dec. 285-286. Sales: 580.

COTTON

LIVERPOOL COTTON spot and shipment sales amounted to ten tonnes, reports F. W. Tattersall. Limited dealings continued with the offtake confined to specialist requirements in Middle Eastern and Latin American growths.

*

GRIMSBY FISH—Supply moderate, demand good. Prices per stone at ship's side (unprocessed): Shelf cod £4.00-£5.20, codlings £3.60-£4.00; large shelf haddock £4.00-£4.20, medium £3.60-£3.80, small £2.40-£3.00; large plaice 4.50, medium £4.10; dogfish £4.40, large £ 71.8, ETA SHRD best small £3.20-£1.60; large skinned dogfish £4.40, medium £3.00; Rockfish £2.60; reds £2.40; saithe £2.00-£2.40.

Weather hits Indian tea

By Our Own Correspondent

CALCUTTA, Dec. 6.

THE INDIAN Tea Association has said that with the weather in North India becoming unexpectedly unfavourable a heavy drop in tea production during the last two months of this year has taken place. The gardens will be ceasing production fairly soon.

The industry, said the chairman of the association, may fall short of the expected production early this year. The output estimate in late October was 510m. kg.

PRICE CHANGES

Prices per ton unless otherwise stated.

	Dec. 6 1976	+ or —	Month ago
Metals			
Aluminium			£579
Free market			$800-810
Pepper White...ton	£1,420	......	£1,480
Black...ton	£1,5..	......	£1,285

* Nominal. † Seller. ‡ Unquoted. § Unofficial close. ♣ Indicative price. *a* Seller's quotation. *b* U.K. and Commonwealth refined. *c* Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. *d* Bangladesh white "C" *h* Jan.-Feb. *i* Jan.-March. *j* Jan. *k* Dec.-Jan. *q* April-May. *u* Metric tons.

FINANCIAL TIMES

Dec. 6	Dec. 5	Month ago	Year ago
246.10	244.84	252.24	168.70

(Base July 1, 1952=100)

REUTER'S

Dec. 6	Dec. 3	Month ago	Year ago
1536.9	1529.2	1548.8	1145.9

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	Dec. 6	Dec. 5	Month ago	Year ago
Spot	356.60	356.75	355.93	89.39
Futures	356.31	356.8	357.86	79.39

(Average 1924-25-26=100)

MOODY'S

Moody's	Dec. 6	Dec. 3	Month ago	Year ago
Spl. Cmm	935.6	928.7	816.5	740.2

(December 31, 1931=100)

COPRA, Philippines—Jan.-Feb. $377.50 resellers per tonne, cif North European ports.

U.S. Markets

Grains rise on export reports

NEW YORK, Dec. 6.

THE COPPER and silver markets closed unchanged after trading in a narrow range. Grains closed higher at reports of export business and some technical buying. Cotton closed firm on local and Commission House demand. Coffee closed on the highs on trade buying, Bache comments.

Cocoa—Ghana spot 157 (154) nom.), Bahia spot 155 (151) nom.), Dec. 145.20 (144.30), March 140.50 (136.65), May 135.63, July 130.60, Sept. 120.40, Dec. 115.00, March 100.25, May nil. Sales: 1,582.

Coffee—"C" Contract: Dec. 196.00-198.00 (194.50), March 195.80-196.20 (193.25), May 197.95, July 199.50-199.60, Sept. 200.00-200.50, Dec. 195.00-195.50, March nil. Sales: 1,698.

Copper—Dec. 57.50 (57.40), Jan. 57.90 (57.70), Feb. 58.20, March 58.60, May 59.60, July 60.70, Sept. 61.50, Dec. 62.30, Jan. 62.90. Sales: 2,812.

Cotton—No. 2: Dec. 78.25 (75.47), March 80.25-80.40 (78.85), May 81.00, July 79.50-79.80, Oct. 72.50, Dec. 67.50, March 67.70-67.75, May 67.70-68.00. Sales: 3,330.

†Gold—Dec. 133.30 (132.70), Jan. 135.70 (133.00), Feb. 136.00, April 137.10, June 138.20, Aug. 139.40, Oct. 140.70, Dec. 142.00, Feb. 143.30, April 144.60. Sales: 4,001.

Greasewool—Spot 175.0 (170.0 bid), Dec. 167.0-172.0 (166.0), March 169.0-174.0 (175.5), May unq.

†Lard—Chicago loose 15.50 nom. (same), New York prime steam 20.00 nom. (20.00 asked).

††Maize—Dec. 248 (240½), March 254-253½ (249½), May 258½-255½, July 261½-261½, Sept. 261, Dec. 256-259½.

‡Platinum—Jan. 157.00 (156.40), April 159.90 (155.60), July 161.50, Oct. 164.00, Jan. 167.70, April 169.50. Sales: 593.

‡‡Silver—Spot 437.50 (432.30), Dec. 436.70 (436.40), Jan. 438.10 (428.40), Feb. 440.10, March 442.10, May 446.10, July 450.30, Sept. 454.50, Dec. 461.50, Jan. 464.20, March 469.00. Sales: 20,700.

*Soyabeans—Jan. (674-693¾) (685½), March 702-701 (691½), May 699-697½, July 694-693, Aug. 685, Sept. 656, Nov. 636-637.

STOCK EXCHANGE REPORT

Gilt-edged good and equities make fresh progress

Index up 4.8 at 310.1—Golds move ahead

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Nov. 15	Nov. 25	Nov. 26	Dec. 7
Nov. 29	Dec. 9	Dec. 10	Dec. 21
Dec. 13	Dec. 30	Dec. 31	Jan. 12

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Stock markets enjoyed a generally firm trading session yesterday. British Funds claimed most of the interest, activity being stimulated by news that the long tap stock, Treasury 15¼ per cent., 1996, had been exhausted. A lively trade in this area of the market left prices with rises extending to ⅞. Similar improvements were recorded in mediums, while useful gains were seen in short-dated issues; the Government Securities index rose 0.29 to 58.57.

Several surveys forecasting a slow-down in the pace of economic recovery, prompted a dull opening in leading equities, but the virtual absence of selling and a firm lead from the gilt-edged market brought a turnround in sentiment and prices gradually edged higher for the rest of the session. Down 1.3 at 10 a.m., the F.T. 30-share *index recovered to* close at its best of the day with a net rise of 4.8 at 310.1. Once again, the level of business left much to be desired; official markings totalled only 3,624.

Long "tap" exhausted

Elsewhere, the day was enlivened by several bid announcements and speculative demand for other likely take-over candidates. Press comment also prompted the occasional firm spot, while the fairly general improvement was shown in the 7-2 ratio of rises over falls in FT-quoted Industrials. The FT-Actuaries All-Share index gained 1.2 per cent. to 134.60.

The lunchtime announcement of the exhaustion of the long "tap," Treasury 15¼ per cent., 1996, provided the main impetus in Gilt-edged. *Prior to the news the tone* had been slightly firmer with gains limited to ¼, but in ensuing lively trading these were extended to ⅞ in the case of the exhausted "tap," at 98⅞. The overall *volume of business was the best* for the past two weeks and the short "tap," Exchequer 13 per cent., 1980, up 1/16 at 96 3/32, could become operative to-day if the firmness holds. Opinions were divided as to the early replacement of the long "tap."

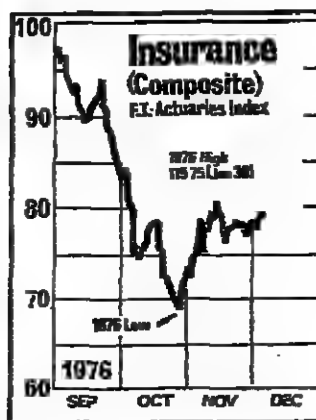
Business in investment currency was small and the premium hovered either side of 119 per cent. before closing at that rate, which was marginally better than Friday's level. Yesterday's S.E. conversion factor was 0.7170 (0.7148).

Banks quietly firm

Quietly firm conditions prevailed in the big four Banks. Barclays edged forward 5 to 218p with Lloyds and National Westminster improving 3 to 178p and 188p respectively; Midland *hardened 2 to 218p. Standard* Chartered, however, receded 6 to 284p in front of to-day's interim results. Dull last week on the devaluation, Australian banks rallied modestly with Commercial Bank of Australia up 5 to 225p. Country and District Properties put on 2 to 38p and Bishopsgate Property gained 1½ to 4½p, after 5 on a Press suggestion that Hambros (unaltered at 120p) will soon announce a reorganisation of its property interests in the companies. Keyser Ullmann gained 2 to 20p in Merchant Banks but G. R. Dawes fell 3 to 60p.

Prudential, in Insurances, rose 6 to 99p, buyers' *attention* being drawn by Press mention.

Breweries and kindred trades made progress in thin trading. Arthur Guinness did well at 110p, up 3, on news that the group is to launch an extra strong stout called Triple X. Bass Charrington put on 4 to 75p and Allied hardened 2 to 52½p. Elsewhere,



Distillers improved 4 to 110½p as did Arthur Bell to 136p, while Highland gained 3 to 93p. Up 7 last week *on speculative demand* in a thin market, George Sandeman improved 2 more to 42p.

Interest in Buildings was selective and limited. Marchwiel stood out with a rise of 9 to 104p in response to investment demand, while Tunnel "B," 126p, and Taylor Woodrow, 212p, put on 5 and 6 respectively. Westbrick Products hardened a penny to 23p on further consideration of the interim figures, while other firm spots included Magnet and Southerns, 4 higher at 94p. Of the few dull spots, Whittingham shed 1½ to 7p and Modern Engineers of Bristol eased 3 to 39p.

ICI moved up 4 more to 293p. Elsewhere in Chemicals, Fisons improved 7 to 267p. Carless Capel, with interim results due to-day, hardened 2 to 26p, while similar rises were seen in Albright and Wilson, 71p, and Lankro, 90p.

Samuelson Film Service continued firmly, rising 10 to 100p for a two-day rise of 37 awaiting the outcome of the bid talks. Associated Television "A," with interim results due on Thursday, edged up 2 to 54p.

Muirhead good

Muirhead featured Electricals with a rise of 11 to 113p on small buying in a restricted market. General Electric, with interim results expected to-morrow, rose 4 to 145p, while Racal Electronics rallied another 5 to 218p.

Although the undertone remained firm, Stores failed to attract much in the way of business and closed little changed. Gussies "A" continued firmly, following Press comment rising 3 to 145p for a two-day gain of 8. Debenhams hardened 2 to 57p, but Alfred Preedy reacted 4 to 22p on the first-half profits setback. Fairdale Textile Ordinary and "A" both lost 2, to 13p and 10p respectively. In Shoes, Wearra hardened a penny to 11½p in response to increased profits and dividend.

Covering of a short position assisted a rise of 6 to 139p in Vickers, but other leading Engineerings scored similar gains including Hawker, at 400p, and GKN, at 241p. The Johnson and Firth Brown/Dunford and Elliott situation remained intriguing since the former has won its court appeal, but there was little movement in the respective prices; JFB eased 1 to 41p while D and E improved 1 to 31p. Speculative demand continued for Spear and *Jackson, up 5 at 92p, while Weyburn* gained 7 to 325p; the latter's preliminary figures are due on January 12. Press comment lifted Glynwed 2½ to 71p, and Balfour Darwin 6 per cent. (4.2 per cent. net) Preference were raised 22 to a basis of 90p following the proposed early redemption at 95p. The forecast of increased profits stimulated Carclo, 1½ better at 32p, while English Card Clothing rose 2 to 46p ahead of to-morrow's interim results. Elsewhere, British Northrop moved up 8 to 94p. Beeston Foundry were suspended at *12p*, unchanged, pending clarification of the company's position.

Awaiting to-day's preliminary figures, KMM moved up 1½ to 36p; dealers expect pre-tax profits in the region of £40m. J. Lyons, with interim figures due on Thursday, hardened 2 to 46p, while Associated Dairies, 166p, and Tate and Lyle, 240p, put on 4 and 6 respectively. Bishop's Stores made a firm response to the interim report, the Ordinary rising 4 to 137p and the "A" 2 *to 47p. Interest was also shown* in F. J. Wallis, 2 up at 30p, and Linfood, 5 higher at 200p. Supermarkets adopted no fixed trend. Gateway Securities "A," a firm market of late, reacted 2 to 32p. Wheatsheaf Distribution, however, improved 4 to 120p.

Hotels and Caterers made modest headway. Grand Metropolitan ended 2 better at 52p, while Mount Charlotte, 6½p, and Epicure, 32p, put on 1½ and 2½ respectively. *Adda International*, still reflecting Press comment, hardened 1½ to 13p for a two-day gain of 3½.

Jump in Baxter Fell

Of the numerous firm features which littered the Miscellaneous Industrial sector yesterday, Baxter Fell stood out with a jump of 123 to 211p, after 220p, on news of the agreed bid worth 225p per share from *Hoogovens Ijmuiden* B.V. After last week's speculative rise of 7 which resulted in the suspension of the shares late on Friday pending an announcement, dealings in Alfred Marks Bureau were *resumed yesterday in the* wake of news of the agreed cash bid worth 40p per share from Adia Interim, a Swiss-based employment group; opening 17½ higher than the pre-suspension price of 20p; *the shares finally closed* at 36½p. Other employment agency concerns hardened in sympathy, Reed Executive improving 3 to 30p with Brook Street Bureau a penny better at 31p. Bid hopes continued to spur Ozalid which rose 3 to 91p; the 6½ per cent. Convertible ended 4 points higher at £69. Ingersoll rose 3 to match the agreed 40p per share cash bid terms from Heron Motor, while satisfaction with the respective trading announcements brought improvements of between 4 and 8 in "Mams," 53p, Kleen-E-Ze, 36p, and Whitecroft, 84p, while higher first-half earnings left Turner Curzon 1½ dearer at 7p. Press comment helped Portals rise 4 to 142p and demand ahead of to-morrow's interim figures left LRC 1½ better at 46½p. The leaders recovered from a soft start to close with improvements of up to 8 as in Beecham, 346p, and Reckitt and Colman, 300p.

Motors and Distributors closed on a quietly firm note; news of the end of the strike by maintenance engineers at the Rubery Owen components firm came too late to affect market sentiment. Associated Engineering were again in vogue, the Ordinary rising 2 to 73p and the new nil-paid shares closing fractionally better at 13½p premium; the preliminary figures are due on December 16. Caffyns responded to the interim report with a rise of 2 to 85p, while Press comment was reflected in marginal improvements in both Lex Service, 26p, and Wadham Stringer, 17½p. Group Lotus, at 17p, gave up 2 of the recent sharp advance.

Still reflecting the prospective benefits of North Sea oil, Thomson Organisation gained 5 more to 360p. Other Newspapers were only marginally better including Beaverbrook "A," 1 dearer 34p. Printings and kindred issues traded quietly with Dolan Packaging closing 2 harder at 68p and Eucalyptus Pulp the same amount higher at 28p.

BP top stock

Revived speculation about the possible sale of part of the Government's stake in British Petroleum aroused local interest which, coming on top of continued American buying, pushed *BP up a further 26 to 780p in* lively trading. Remaining Oils were overshadowed, of course, but Shell rose 6 to 414p and Royal Dutch ½ to £40½, the latter on overseas and investment currency *influences*. Berry Wiggins extended last week's recovery, thanks to Press mention, and ended 1½ dearer at 22p, while Australian advices raised Woodside-Burmah 2 more to 94p.

Stimulated by reports that the institutions were showing interest, Properties continued their recent good run. Once again, demand was of a selective nature and took in Great Portland Estates, up 8 at 200p, Stock Conversion, 148p, Property Holding, 210p, and Hammerson "A," 277p, all of which gained 4. Land Securities played a more notable role and closed 3 higher at 120p, while MEPC moved up 2 to 47p. Newspaper comment helped Haslemere Estates improve to 160p before a close of 4 higher on the day at 138p. Bernard Sunley picked up 3 to 98p and Midhurst Whites a similar amount to 15p, but C. H. Beazer fell 4 to a low for the year of 38p.

Apart from Harrisons and Crosfield, 13 cheaper at 362p, Overseas Traders were generally better where changed. Thomas Borthwick closed a penny harder at 71p following news that the company has been awarded a further Soviet Government contract, while Lonrho edged up 2 to 60p helped by week-end Press comment.

Trusts and Financials displayed a firm bias. Argo Investments picked up 4 to 112p and Continental and Industrial added a similar amount to 135p. Maidenhead Investments improved 2 to 26p on news of General Occidentale's intention to pay that much cash per share for the outstanding 21½ per cent. of MI not *already owned by* Argyle Securities. Dalgety put on 4 to 212p and S. Pearson hardened 3 to 110p.

Shippings closed steady to firm but the volume of business was *small*. First-half figures in line with general expectations left "Lofs" a shade harder at 36½p, while further buying on the strength of a recent broker's circular took Common Bros. up 8 more to a 1976 high of 124p after last week's rise of 23.

Quietly firm Textiles had Leeds and District Dyers and Finishers another 2 better at 40p on further consideration of the near-doubled profits, while Shaw and Marvin edged forward a penny to 12p on the sharply higher first-half earnings.

Tobacco majors edged higher with the general trend. BATs Industries added 3 at 256p with the Deferred 2 to the good at 213p and Imps improved a penny to 60½p.

A late reaction of 5 to 163p in Guthrie on news of the enforced closure of its subsidiary in France provided the only movement worthy of note in Plantations.

Golds cheerful

Optimism about the outcome of to-morrow's International Monetary Fund gold auction gave a fillip for the metal price which rose $3.50 to $134.625 per ounce and prompted a considerable demand for shares of the mining producers.

The good performance of bullion and shares in the U.S. on Friday caused jobbers to mark up shares in early trading. Subsequent interest from Continental and U.S. sources left the Gold Mines index with a gain of [illegible] at 137.6.

Randfontein, which improved a point to a year's high of [illegible] were additionally helped by *favourable comment*. Among the heavyweights to show good gains were Vaal Reefs, ½ up at £1[illegible], Free State Geduld and St. [illegible] which both rose a half-point to £11¼ and £13½ respectively. Among lower priced stocks Unisel [illegible] 10 to 186p and Loraine [illegible] higher at 88p.

The overseas-based Financials generally moved ahead in sympathy with Golds. Anglo American put on 10 to 240p as did Selection, to 380p.

In the London registered issues, revived talk of an approach from Charter Consolidated Trust left the latter 15 higher at 410p, for a two-day rise [illegible] and the former 2 easier at [illegible]. The higher metal price enabled Gold Fields to put on 6 to [illegible].

Gold Mines of Kalgoorlie [illegible] a feature in Australians [illegible] dramatic 16½ slump in the shares to a nominal 3½p, after 3p, following reports that the company [illegible] difficulties. Otherwise Australians continued to recover part of the ground lost after the [illegible] devaluation of the dollar. [illegible] Mining Australia advanced [illegible] 410p following its higher dividend and the sharply increased profits of the company's 10.5 per cent. owned Utah Development.

FINANCIAL TIMES STOCK INDICES

	Dec. 6	Dec. 3	Dec. 2	Dec. 1	Nov. 30	Nov. 29	A year ago
Government Secs.	58.57	58.28	58.22	58.39	58.10	58.34	[illegible]
Fixed Interest	59.17	59.05	57.93	57.95	57.84	58.01	[illegible]
Industrial Ordinary	310.1	305.3	300.6	301.5	297.6	302.4	[illegible]
Gold Mines	137.6	132.3	132.5	132.1	131.6	129.9	[illegible]
Ord. Div. Yield	7.01	7.13	7.20	7.18	7.22	[illegible]	[illegible]
Earnings Yld % (full)	21.96	22.32	22.55	22.63	22.92	[illegible]	[illegible]
P/E Ratio (net) (*)	5.65	5.55	5.49	5.48	5.38	[illegible]	[illegible]
Dealings marked	3,626	3,636	5,630	3,819	4,193	4,016	[illegible]
Equity turnover £m.	—	42.354	35.15	35.37	45.11	[illegible]	[illegible]
Equity bargains total	—	9,851	9,171	9,603	9,061	9,037	[illegible]

10 a.m. 304.8. 11 a.m. 307.1. Noon 307.7. 1 p.m. 308.1. 2 p.m. 309.4. 3 p.m. 309.3.

Latest Index 01-246 8026.

(*) Based on 52 per cent. corporation tax. (†) Nil=5.96.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21	55.88	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.45	55.67	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	420.8 (4/5)	265.3 (27/10)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	245.9	78.8	442.3	43.5 (26/10/71)

S.E. ACTIVITY

	Dec. 6	[illegible]
Daily		
Gilt-Edged	176.6	[illegible]
Industrials	124.4	[illegible]
Speculative	27.6	[illegible]
Totals	87.3	[illegible]
5-day Avr'ge.		
Gilt-Edged	153.9	[illegible]
Industrials	117.9	[illegible]
Speculative	24.8	[illegible]
Totals	88.5	[illegible]

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS / GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Mon. Dec. 6 Index No.	Day's Change %	Est. Earnings Yield % (Max) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) (Corp. Tax 52%)	Est. P/E Ratio (nil) (Corp. Tax 52%)	Fri. Dec. 3 Index No.	Thurs. Dec. 2 Index No.	Wed. Dec. 1 Index No.	Tues. Nov. 30 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (178)	114.38	+0.7	23.71	8.29	5.37	6.22	114.07	112.56	112.42	110.83	156.78	160.06 (21/4)	100.83 (28/10)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	94.97	+1.1	24.44	10.17	6.15	6.15	93.97	92.52	93.46	93.02	132.41	150.18 (15/1)	85.53 (27/10)	253.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (22)	140.64	+0.6	31.78	7.76	4.65	4.65	139.65	136.68	136.91	137.65	241.42	260.20 (15/1)	122.06 (27/10)	389.35 (19/5/72)	71.48 (2/12/74)
4	Electricals (16)	226.31	+1.2	19.70	5.26	7.64	7.34	223.70	218.54	216.94	211.50	239.81	287.30 (21/4)	190.54 (27/10)	350.04 (4/5/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	145.51	+1.2	35.26	9.04	4.37	4.51	143.84	142.62	143.24	140.55	159.28	[illegible] (5/5)	[illegible] (27/10)	[illegible] (6/6/75)	[illegible] (2/1/75)
6	Engineering (General) (66)	106.06	+0.2	24.05	8.83	6.14	6.13	107.87	106.71	106.79	106.00	118.55	149.39 (5/5)	95.20 (28/10)	168.69 (4/5/72)	45.43 (6/1/75)
7	Machine and Other Tools (9)	58.07	+0.4	18.99	8.55	7.86	7.84	51.67	51.46	51.66	50.42	48.65	60.66 (3/5)	46.29 (11/10)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (22)	99.20	+0.5	22.61	9.24	6.47	6.40	98.66	97.91	98.21	97.83	117.79	141.94 (11/6)	90.25 (28/10)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (53)	98.01	+0.6	25.39	7.31	5.90	5.89	97.45	96.43	96.41	95.13	113.38	141.46 (21/4)	88.12 (28/10)	237.78 (21/4/72)	38.39 (6/1/75)
10	Lt. Electronics, Radio TV (15)	105.09	+0.8	24.13	5.60	6.17	6.16	104.27	102.96	101.42	100.96	127.06	160.35 (7/4)	87.61 (27/10)	257.41 (19/5/72)	42.85 (13/12/74)
11	Household Goods (13)	109.24	+0.9	27.98	11.00	5.44	5.42	108.31	107.75	108.22	108.17	165.56	187.22 (7/4)	104.30 (28/10)	263.28 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (25)	66.90	+0.5	26.32	8.51	5.71	5.71	66.71	66.13	66.47	65.62	66.18	86.16 (5/5)	56.10 (28/10)	170.69 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (170)	119.30	+0.8	19.20	8.22	7.88	7.60	118.57	116.55	116.70	114.65	144.77	162.24 (4/5)	104.41 (27/10)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (15)	125.20	+1.2	19.04	9.30	7.87	7.87	123.76	119.02	120.26	117.89	159.85	179.46 (2/2)	111.17 (27/10)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (6)	140.55	+2.8	17.15	8.06	8.95	8.95	136.57	135.86	135.76	135.48	167.21	190.67 (5/5)	124.71 (28/10)	257.40 (13/7/72)	78.88 (13/12/74)
16	Entertainment, Catering (15)	150.07	+0.7	17.60	8.91	8.67	8.59	149.04	146.41	145.79	143.61	180.83	211.26 (6/5)	127.11 (28/10)	339.99 (12/12/72)	54.83 (9/1/75)
17	Food Manufacturing (23)	155.80	+0.6	21.29	6.91	7.06	6.97	154.35	155.03	152.57	150.53	158.63	179.44 (11/6)	120.54 (27/10)	211.65 (1/5/72)	59.67 (11/12/74)
18	Food Retailing (16)	112.75	+0.9	17.37	7.04	8.45	8.45	111.71	110.97	110.94	110.62	141.55	160.06 (12/1)	92.79 (22/10)	285.08 (16/6/72)	54.25 (11/12/74)
19	Newspapers, Publishing (16)	181.60	+0.1	14.58	5.90	10.39	10.39	181.38	178.05	178.56	175.52	159.36	184.46 (11/5)	146.48 (12/10)	260.29 (18/1/73)	55.08 (6/1/75)
20	Packaging and Paper (12)	81.57	+0.2	21.90	9.87	7.00	7.00	81.59	80.48	81.91	80.61	99.48	112.50 (26/2)	72.34 (27/10)	136.69 (26/4/72)	43.46 (6/1/75)
21	Stores (34)	95.15	+1.1	15.57	7.67	9.29	9.27	93.15	90.64	90.24	88.07	120.55	136.24 (2/2)	78.47 (25/10)	204.89 (16/8/72)	52.63 (6/1/75)
22	Textiles (24)	104.20	−0.3	19.56	11.57	6.03	7.29	104.50	104.47	105.57	105.25	155.04	183.24 (30/1)	96.76 (27/10)	255.72 (17/1/69)	62.66 (11/12/74)
23	Tobaccos (3)	190.05	+0.3	21.06	9.09	5.45	5.45	189.56	186.01	187.50	184.45	206.99	241.98 (3/5)	167.56 (28/10)	359.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	66.80	+0.1	24.27	9.30	5.52	5.50	66.14	66.32	66.32	67.93	60.08	80.96 (16/7)	59.15 (22/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (95)															
25	Chemicals (26)	179.14	+1.0	18.05	6.45	7.54	7.64	177.43	175.42	174.65	170.73	189.53	251.38 (5/5)	155.10 (27/10)	251.38 (5/5/76)	71.20 (11/12/74)
26	Office Equipment (9)	62.16	+0.8	19.44	8.50	7.58	7.58	61.67	62.68	62.65	62.38	87.14	100.18 (19/5)	58.55 (28/10)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (12)	352.58	+0.9	15.11	7.53	9.48	8.62	349.57	344.01	346.97	337.65	372.15	432.64 (30/1)	305.48 (28/10)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (48)	123.63	+0.4	19.26	9.54	7.80	7.79	123.12	121.66	121.90	119.92	146.41	172.98 (21/4)	108.14 (27/10)	258.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	122.76	+0.8	20.31	7.99	7.28	7.22	121.84	120.19	120.22	118.15	144.69	[illegible] (4/5)	[illegible] (27/10)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	405.19	+2.8	10.51	4.32	11.02	10.14	394.21	387.96	384.61	386.66	316.72	405.19 (6/12)	310.67 (11/10)	451.66	87.36 (29/5/62)
31	500 SHARE INDEX	146.09	+1.2	18.29	7.23	7.55	7.67	143.41	141.40	141.20	139.41	159.20	[illegible] (5/5)	126.60 (27/10)	227.95 (16/9/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	102.05	+1.3	—	7.72	—	—	100.77	99.15	98.37	96.64	130.55	155.46 (30/1)	87.19 (28/10)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	124.65	+1.7	27.10	7.42	5.68	5.68	122.55	120.65	118.42	116.14	169.19	198.16 (29/1)	111.63 (27/10)	268.38 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (10)	131.10	—	—	10.63	—	—	131.10	130.90	130.16	129.46	164.48	186.52 (15/1)	97.72 (28/10)	295.13 (2/5/72)	81.40 (10/12/74)
35	Hire Purchase (5)	66.55	—	10.87	9.85	20.47	20.47	66.55	66.58	66.47	64.62	88.48	132.10 (26/2)	53.25 (27/10)	433.74 (4/5/72)	68.84 (11/12/74)
36	Insurance (Life) (10)	83.81	+3.2	—	9.03	—	—	81.25	80.41	80.55	79.66	115.25	129.46 (30/1)	73.11 (28/10)	194.45 (15/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	79.31	+0.1	—	9.32	—	—	79.25	77.84	78.52	76.99	104.05	119.75 (30/1)	68.99 (28/10)	155.76 (21/4/72)	45.96 (13/12/74)
38	Insurance Brokers (9)	216.19	+0.6	13.90	5.44	10.77	10.77	214.85	213.29	212.62	210.01	218.06	276.90 (11/5)	178.27 (27/10)	276.90 (11/5/76)	65.86 (16/12/74)
39	Merchant Banks (15)	47.82	+0.5	—	8.42	—	—	[illegible]	[illegible]	49.06	49.09	83.76	93.63 (27/1)	45.16 (28/10)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	131.26	+1.9	4.69	4.22	36.45	34.47	128.82	125.11	121.94	118.65	161.92	194.57 (30/1)	96.95 (27/10)	357.40 (8/11/73)	56.01 (20/4/65)
41	Miscellaneous (6)	62.04	+1.6	21.66	13.90	7.02	7.02	61.03	60.71	60.71	60.71	78.77	91.98 (3/2)	55.37 (28/10)	305.18 (18/6/72)	33.29 (17/12/74)
42	Investment Trust (50)	137.21	+1.1	3.92	6.64	26.55	25.55	135.68	134.41	132.84	131.13	166.98	184.56 (30/1)	116.09 (28/10)	245.79 (26/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	134.60	+1.2	—	7.25	—	—	133.03	131.15	130.75	128.99	152.50	172.64 (30/1)	116.29 (27/10)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	497.24	−0.6	8.31	5.78	16.10	14.67	500.37	498.65	501.05	510.94	375.17	523.40 (7/5)	404.67 (14/1)	585.37 (25/7/73)	84.68 (2/6/65)
45	Teas (8)	132.61	—	51.60	9.37	4.14	4.00	132.61	132.95	132.27	132.52	115.80	142.45 (6/7)	117.89 (7/1)	142.45 (6/7/76)	59.72 (17/10/74)
46	Coppers (3)	155.29	—	41.72	7.21	2.40	2.40	155.29	153.71	153.71	153.71	262.81	301.47 (7/1)	143.41 (9/11)	567.78 (15/7/75)	94.08 (29/4/62)
47	Mining Finance (11)	80.81	+1.2	11.35	5.98	9.50	9.42	79.85	78.80	78.90	78.76	110.75	119.77 (7/1)	77.56 (15/10)	175.90 (28/4/69)	66.31 (30/9/74)
48	Tins (5)	116.98	−0.4	12.05	9.50	12.72	12.56	117.45	117.16	114.93	114.93	90.22	126.36 (7/10)	86.09 (9/2)	126.36 (7/10/76)	64.85 (27/6/70)
49	Overseas Traders (13)	198.42	+0.3	18.51	6.90	7.41	7.40	197.84	197.46	197.69	196.11	213.35	254.47 (3/5)	178.31 (27/10)	254.47 (3/5/76)	97.37 (6/1/75)

	FIXED INTEREST	Monday, Dec. 6 Index No.	Monday, Dec. 6 Yield %	Friday, Dec. 3	Thurs. Dec. 2	Wed. Dec. 1	Tuesday Nov. 30	Monday Nov. 29	Friday Nov. 26	Thurs. Nov. 25	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.97	15.07	15.06	15.06	15.16	15.04	15.02	15.02	14.98	—	—	—	—
2	20-yr. Govt. Stocks (6)	44.57	†14.50	44.21	44.26	44.25	44.18	44.41	44.43	44.39	46.10	53.45 (30/1)	42.31 (27/10)	115.45	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	45.02	†16.31	45.02	44.50	44.50	44.55	44.45	44.49	44.49	46.07	52.40 (21/6)	43.09 (8/11)	113.43	37.01 (3/1/75)
4	Investment Trust Prefs. (15)	43.84	15.86	43.84	43.69	43.69	43.69	43.96	43.63	43.44	46.35	51.23 (18/2)	40.54 (6/10)	114.41	34.46 (4/12/74)
5	Coml. and Indl. Prefs. (20)	60.68	14.68	60.68	60.52	60.66	60.66	60.68	60.60	60.53	64.13	71.97 (2/2)	54.89 (8/10)	114.96	47.67 (6/1/75)

Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00
Engineering (Heavy)	31/12/71	153.84
Engineering (General)	31/12/71	153.84
Wines and Spirits	15/1/70	144.76
Toys and Games	16/1/70	135.72
Office Equipment	16/1/70	128.20
Industrial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	128.06
Food Manufacturing	29/12/67	114.13
Food Retailing	29/12/67	114.13
Insurance Brokers	29/12/67	96.67
Mining Finance	29/12/67	100.00
All Other	10/4/62	100.00

† Redemption yield. FT-Actuaries Indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an ICL 370 computer.

CONSTITUENT CHANGE: Central Wagon (Cap. Goods Misc.) has been replaced by Weyburn Engineering (Eng. General).

A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post 28p.

A record of the indices, cost £10, is obtainable from FT Business Enterprises, 32, Bolt Court, London, EC4. It gives all group and sub-section indices at fortnightly intervals since the start of the series in 1962 with quarterly highs and lows. Dividend and earnings figures are also included.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
BP	£1	16	780	+26	780	557
ICI	£1	14	292	+4	402	256
BATs Defd.	25p	13	213	+2	225	183
Barclays Bank	£1	10	218	+5	350	190
Assoc. Eng. 'new'	—	8	13½*	+½	13½*	4
Chloride 'new'	—	8	16*	[illegible]	16*	8
Distillers	50p	8	110½	+4	158	95½
Shell Transport	25p	8	414	+6	462	352
GEC	25p	7	145	+4	168	112
Glynwed	25p	7	71	+2½	110½	62
GKN	£1	7	241	+5	360	203
Allied Breweries	25p	6	52½	+2	77	45
Beecham	25p	6	346	+8	390	269
Grand Met.	50p	6	52	+2	88	41
Hanson Trust	25p	6	97	+1	146	84

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).
* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov. 22	Dec. 6	Feb. 24	Mar. 8
Dec. 7	Dec. 20	Mar. 10	Mar. 22
Dec. 21	Jan. 11	Mar. 24	Apr. 5

Calls were dealt in Burmah Oil, J. Lyons, Consolidated Plantations Warrants, Gateway Securities, ICI, National Commercial Banking and British Benzol, while doubles were arranged in Cavenham, Lonrho, Consolidated Plantations Warrants, Lonrho and Consolidated Gold Fields. A short-dated double was also done on the last-mentioned.

Industrials		E.M.I.	17	Marks & Spncr.	[illegible]	Brit. Land	3½
A. Brew	5½	Finch Lovell	5	Midland Bank	42	Cap. Counties	4
A. P. Cement	15	Gen. Accident	12	Nat'l West Bank	40	E.P.	6
Assoc. Leisure	5	Gen. Electric	13	"Do" Warrants	7½	Intereuropean	7
BSR	9	Glaxo	35	P & O Dfd.	11	Land Securities	14
Babcock	8	Grand Met.	7	Plessey	7	MEPC	7
Barclays Bank	22	G.U.S. 'A'	16	R.H.M.	5	Peachey	6
Berry Wiggins	6	Guardian	18	Rank Org. 'A'	18	Samuel Props.	4½
Beecham	26	G.K.N.	26	Reed Int'l	25	Town & City	2½
Boots	12	Hawker Sidd.	35	Reyrolle	11		
Bowater	16	House of Fraser	8	Rothmans	[illegible]	**Oils**	
B.A.T.	21	I.C.I.	20	Sears Walker	4	Brit. Petroleum	40
British Leyland	5	"Imps"	7	Spillers	4	Burmah Oil	4½
BOC	5½	I.C.L.	14	Tesco	4	Shell	27
Brown (J.)	9	Inveresk	7	Thorn 'A'	22	Ultramar	14
Burton 'A'	6½	Legal & General	12	Trust Houses	9		
Cadbury	5	Ladbroke	11	Tube Invest	7	**Mines**	
Cavenham	10	Lex Service	5½	Unilever	36	Charter Cons.	15
Courtaulds	11	Lloyds Bank	22	Utd. Drapery	8	Chart'rhall Fin	4
Debenhams	8	"Lofs"	4	Vickers	16	Cons Gold	15
Distillers	15	London Brick	4½	Williams Hud'n	4	Hampton Areas	12
Dunlop	7½	Lonrho	9	Woolworths	5	Rio T. Zinc	18
Eagle Star	11	Lucas Inds.	20			Western M'ng.	18
		"Mams"	1	**Property**			

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (11)

BRITISH FUNDS (2)
Treas. 15¼% 1996 Treas. 15½% 1998

ENGINEERING (1)
Wolverhampton Die Casting

HOTELS (2)
Epicure Mount Charlotte

INDUSTRIALS (2)
Baxter Fell Marks (A.)

MOTORS (1)
Caffyns

PAPER (1)
IPG

INVESTMENT TRUSTS (1)
Maidenhead Invs.

OILS (1)
BP

NEW LOWS (15)

BUILDINGS (4)
Baggeridge Brick Fed. Land & Bldngs.
Fairview Estates Modern Engineers

STORES (2)
Fairdale Textiles A Preedy (A.)

ENGINEERING (3)
Aluminium Corp. I.M.I.
T.C.K.

FOODS (1)
Taverner Rutledge

INDUSTRIALS (1)
Denbyware

PROPERTY (2)
Beazer (C. H.) Ewart New Northern

TRUSTS (1)
Crescent Japan

MINES (1)
Gold Mines Kalgoorlie

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	38	—	4
Corpns., Dom. and Foreign Bonds	27	—	43
Industrials	344	108	1,195
Financial and Prop	182	36	322
Oils	18	2	23
Plantation	—	1	37
Mines	89	7	89
Recent Issues	8	1	18
Totals	706	155	1,701

BASE LENDING RATES

Allied Irish Banks Ltd.
American Express Bank
Anglo-Portuguese Bank
Henry Ansbacher
Banco de Bilbao
Bank of Credit & Cmce.
Bank of Cyprus
Bank of N.S.W.
Banque du Rhone S.A.
Barclays Bank
Barnett Christie Ltd.
Bear Securities Ltd.
Bremar Holdings Ltd.
Brit. Bank of Mid. East
■ Brown Shipley
Canada Permanent AFI
Capitol C & C Fin. Ltd.
Cayzer, Bowater Co. Ltd.
Cedar Holdings
■ Charterhouse Japhet
C. E. Coates
Consolidated Credits
Co-operative Bank
Corinthian Securities
Credit Lyonnais
G. R. Dawes
Duncan Lawrie
Eagil Trust
English Transcont.
First London Secs.
First Nat. Fin. Corp.
First Nat. Secs. Ltd.
Goode Durrant Trust
■ Antony Gibbs
Greyhound Guaranty
Grindlays Bank
■ Guinness Mahon
■ Hambros Bank
■ Hill Samuel
C. Hoare & Co.
Julian S. Hodge
Hongkong & Shanghai
Industrial Bank of Scot.
Keyser Ullmann
Knowsley & Co. Ltd.
Lloyds Bank
London & European
London Mercantile
Midland Bank
■ Samuel Montagu
■ Morgan Grenfell
National Westminster
Norwich General Trust
P. S. Refson & Co.
Rossminster Accept'cs
Royal Bk. Canada Trust
Schlesinger Limited
E. S. Schwab
Security Trust Co. Ltd.
Shenley Trust
Standard Chartered
Trade Development Bk.
Twentieth Century Bk.
United Bank of Kuwait
Whiteaway Laidlaw
Williams & Glyn's
Yorkshire Bank

■ Members of the Accepting Houses Committee.
* 7-day deposits 11%, 1-month 11½%.
† 7-day deposits on sums of £10,000 and under 11%, up to £25,000 11½%, over £25,000 11¾%.
§ Demand deposits 12%.
‡ Call deposits over £1,000 [illegible]

MONEY MARKET

Interest rates easier

Bank of England Minimum Lending Rate 14¼ per cent. (since November 19, 1976)

Short-term fixed period interest rates were slightly lower in places in the London money market yesterday, but there was no marked pattern and dealings were quiet in several sectors. Discount houses buying rates for *three-month Treasury bills tended* to decline however, with at least one discount house offering to buy bills at under 14 per cent. There is therefore a suggestion that Bank of England Minimum Lending Rate may be cut at the Treasury bill tender on Friday, although it should be remembered that over the previous two weeks the authorities have indicated that they would not be prepared to see a reduction in MLR below the present level.

Day-to-day credit was in short supply and the authorities gave very large assistance, by lending *a large amount overnight to four* or five houses, at Minimum Lending Rate, and by buying a moderate number of Treasury bills and local authority bills from the houses.

Banks carried forward run-down balances, there was a net market take-up of Treasury bills, settlement was made of official gilt-edged sales, and an increase in the note circulation was also against the market. On the other hand Government disbursements exceeded revenue payments to the Exchequer.

Discount houses paid 14¼ per cent. for secured call loans in the early part and closing balances were taken at 14¼-14¾ per cent.

Rates in the table below are nominal in some cases.

Dec. 6 1976	Sterling Certificate of deposits	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance House Deposit	Company deposits	Discount market deposits	Treasury bills φ	Eligible Bank Bills φ	Fine Trade Bills φ
Overnight	—	14⅛-15	—	—	—	15	14½-14¾	—	—	—
2 days notice	—	—	14⅝-14¾	—	—	—	—	—	—	—
7 days or 7 days notice	—	14⅜-14⅞	14¾-14⅞	—	14⅞-15⅛	15	14⅝-14¾	—	—	—
One month	14½-14¾	14½-14⅞	14¾-14⅞	15¼-15	14⅞-15⅛	15¼	14¼-14½	13⅝-13⅞	14½	15¼-15⅛
Two months	14⅜-14½	14⅝-14¾	—	15¼-14¾	14⅞-15⅛	—	14-14¼	13⅞	14½	15¼-15
Three months	14⅛-14¼	14½-14¾	14⅞-15	15⅛-14⅞	14⅞-15¼	—	14-14¼	14-13⅞	14⅛	15¼-14⅞
Six months	14-13⅞	13¾-14⅛	14¾-14⅞	14½-13¾	14¾-15¼	—	—	—	13⅝-13¾	15¼-14¾
Nine months	13¾-13⅞	13⅞-13⅞	—	14½-14	14¾-15¼	—	—	—	—	—
One year	13⅝-13⅞	13⅞-13⅞	16⅛-15¼	14¼-13⅞	15⅛	—	—	—	—	—
Two years	—	—	14⅞-15	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rates nominally three years 14¾-15 per cent.; four years 15 per cent.; five years 14¾-15 per cent. φ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13⅞ per cent.; four-month trade bills 15¼-14¾ per cent. Approximate selling rate for one-month Treasury bills 13 21/32-13 23/32 per cent.; two-month 13 29/32 per cent. and three-month 13 11/16 per cent. Approximate selling rate for one-month bank bills 14 9/16 per cent., two-month 14¼ per cent., and three-month 14 1/16 per cent.; one-month trade bills 15¼-15 per cent.; two-month 15¼-14¾ per cent.; and also three-month 15¼-14¾ per cent.

Finance House Rates (published by the Finance Houses Association): 15 per cent. from December 1, 1976. Clearing Bank Deposit Rates for small sums at seven days' notice 11 per cent. Clearing Bank Base Rates for lending 14 per cent. Treasury bill average tender rates of discount 14.0167 per cent.

CORAL INDEX
Close 310-315

INSURANCE BASE RATES

† Property Growth
Cannon Insurance

† Address shown under Insurance and Property Bond Table.

هكذا من الاجل

AUTHORISED UNIT TRUSTS

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

Warburg Invest. Mngt. Jrsy. Ltd.

1 Charing Cross, St. Helier, Jsy. CI. 0534 29741

CMF Ltd. Nov. 25	$US9.65	9.90	.....	—
CMT Ltd. Nov. 25	£9.22	9.46	.....	—
Metals Tst. Nov. 18	£12.27	12.57	.....	—
TMT Nov. 11	$US9.96	10.23	.....	—
TMT Ltd. Nov. 11	£10.10	10.36	.....	—

World Wide Growth Management

10a, Boulevard Royal, Luxembourg.

WorldWideGth.Fd.	$US11.36	+0.05	—

NOTES

Prices do not include $ premium, where applicable, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥Net of tax on realised capital gains unless indicated by ♦. §Guernsey gross. ‡Suspended. ♦Single premium insurance bonds. ♦Yield before Jersey tax.

REGIONAL MARKETS

A selection of the share prices previously shown under regional headings is printed below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish Exchange.

...ny Inv. 25p	15	.....	Higsons Brew.	62	.....	Conv. 9% '80/82	£79	.....
...Spinning	34	.....	I.O.M. Stm. £1	134	.....	Alliance Gas	47	.....
...am	21	.....	Holt (Jos.) 25p	180	.....	Arnott	190	.....
...str Est 50p	127	.....	Kleen-e-Ze	32	.....	Carroll (P.J.)	93	.....
...er Croft	24	.....	Lovell's Ship £1	180	.....	Clondalkin	94	.....
...& Rose £1	350	.....	N'thn. Goldsmith	21	.....	Concrete Prods.	41	.....
...n (R.A.)	20	.....	Pearce (C. H.)	85	.....	Helton (Hldgs.)	29	.....
...& McHdy.	60	.....	Peel Mills	11	.....	Ind. News	37	.....
...as Fr'k 10p	22	.....	RobbCaledonSh.	45	.....	Ins. Corp.	148½	.....
...red	8	.....	Savers 12½p	15	.....	Irish Distillers	38	-½
...Forge	49	.....	Sheffield Brick	73	.....	Irish Ropes	84	.....
...ay Pkg. 5p	16	.....	Sheff. Refrshmt.	140	.....	Jacob	40	.....
...Ship £1	300	.....	Shiloh Spinn.	20	.....	Sunbeam	11	.....
...e Sleigh 10p	6	.....	Sindall (Wm.)	49	.....	T.M.G.	70	.....
						Unidare	44	.....

CINEMAS

...& 2 SHAFTESBURY AVE. 836 ... Sep. Perfs. ALL SEATS BKBLE. EMMANUELLE 2 (X) ... & Sun.: 2.00. 5.20. 8.20. SURVIVE (X) ... & Sun.: 2.00. 5.30. 8.30. ... Scenes May Be Too Intense for ...tive Persons.

...10, Old Compton Street. 437 6877.

... Fri. & Sat. 12.05. SURVIVE (X). 12.40. 2.20. 4.15. 6.10. 8.10. Late Show Fri. & Sat. 12.05.

...ER WEST END, Leicester Square. ...439 0791. ...edford Hoffman. ALL THE PRESIDENT'S MEN (AA). Sep. perfs. 2.05. 8.05. ...d Zeppelin. THE SONG REMAINS THE SAME (A). Sep. perfs. 2.15. 5.15. ... All seats bkble. ...anley Kubrick's BARRY LYNDON ...Ryan O'Neal, Marisa Berenson. Fully ...nditioned. Sep. progs. 2.30. 7.30. ...CHIZO (X). Cont. progs. Wk. 1.50. 6.10. 8.20.

LEGAL NOTICES

No. 005398 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of PHOENIX SECURITIES (QUARRIES) LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 22nd day of November 1976, presented to the said Court by LIVERPOOL CITY COUNCIL of Dale Street, Liverpool, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL on the 17th day of January 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

HOWLETT & CLARKE CREE & CO.,
13 Gray's Inn Square,
London. WC1R 5JU.
Ref: AIB/EL.
Tel: 01-242 7318/9.
AGENTS FOR:
LIVERPOOL CITY COUNCIL,
Dale Street,
Liverpool.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 14th day of January 1977.

ART GALLERIES

COVENT GARDEN GALLERY, 20, Russell St. (by Opera House), 100 Early English Watercolours for Christmas. £28-£65. Dly. 10-5.30. Thur. 7 p.m. Sat. 12.30.

LEGER, 13, Old Bond Street. Exhibition Important English Watercolours. Daily 9.00-5.30. Sats. 10-1.00.

LEFEVRE GALLERY. 50th Anniversary Exhibition THE COMPLETE SCULPTURES OF DEGAS. Weekdays 10-5, Saturdays 10-1 at 30, Bruton Street, London, W.1. 493 1572-3.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1976 High	1976 Low	Stock	£	+ or −	Yield Int.	Yield Red.
101⅛	99¼	Treasury 10½pc 1976‡‡	99⅞	......	10.55	13.96
93⅞	95⅜	Treasury 6¼pc 1977‡‡	98⅛	......	6.37	14.14
97¼	94⅜	Electric 3pc '74-77	97⅛	......	3.09	14.06
103⅞	97⅜	Treasury 11½pc '77‡‡	98½	+⅛	11.67	13.41
95⅛	91⅝	Treasury 3pc '77‡‡	94	......	3.19	9.82
95⅞	92¼	Transport 4pc '72-77	95⅞xd	+⅛	4.18	8.44
93⅞	90½	Treasury 9pc 1978‡‡	95⅛	+⅛	9.46	13.26
101⅞	93⅝	Treasury 10½pc '78‡‡	95⅞	+⅛	10.96	13.44
95¼	89⅝	Exch. 5pc '76-78	90⅞	+⅛	5.50	10.67
103⅞	92⅞	Treasury 11½pc '79‡‡	94¾	+⅛	12.14	14.20
98¼	92½	Treas. 11½pc '79 'A'‡‡	94⅞	+⅛	12.15	14.30
86⅛	82¼	Treasury 3pc '79‡‡	84⅛	+⅛	3.57	9.66
89⅞	82¼	Electric 4¼pc '74-79	85½	+⅛	4.99	10.50
100⅞	88⅞	Treasury 10½pc '79‡‡	91⅞	+⅛	11.50	14.24
88⅛	82¼	Electric 3½pc '76-79	84⅛	+⅛	4.16	9.87
96⅞	84½	Treasury 9pc 1980‡‡	86⅞	+⅛	10.36	14.19
96½	84⅞	Treasury 9½pc '80‡‡	87⅞	+⅛	10.88	14.30
86	78¼	Treasury 3½pc '77-80	81⅛xd	+⅛	4.32	10.02
89½	80	Funding 5¼pc '78-80‡‡	82½	+⅛	6.36	11.43
96⅞	96⅞	Exch. 13pc 1980‡‡	96⅞	+⅛	13.50	14.23
103⅞	88½	Treasury 11½pc 1981‡‡	91⅞	+⅛	12.60	14.34
86	76¼	Treasury 3½pc 1979-81	77⅞	+⅛	4.50	10.13
95⅛	82⅞	Treasury 9¾pc 1981‡‡	85⅞	+⅛	11.40	14.32

Five to Fifteen Years

1976 High	1976 Low	Stock	£	+ or −	Yield Int.	Yield Red.
94⅛	79⅞	Treasury 8½pc '80-82‡‡	84¾	+½	10.45	13.66
70¾	69¼	Treasury 3pc '82‡‡	70½	+¼	4.27	10.57
99⅞	98¼	Treasury 14pc '82‡‡	99⅞	+½	14.23	14.44
107¾	88⅞	Treasury 12pc 1983‡‡	93	+½	13.28	14.37
81⅛	69⅞	Funding 5½pc '82-84‡‡	72⅞	+⅛	7.81	11.73
87⅞	74¼	Treasury 8¼pc '84-86‡‡	74⅝xd	+½	11.27	13.09
74⅞	60⅛	Funding 6½pc '85-87‡‡	64	+⅛	10.26	13.03
77⅞	65⅛	Treasury 7¾pc '85-88‡‡	59⅛	+½	11.69	13.75
51¼	44⅞	Transport 3pc '78-88	46⅞xd	+⅛	6.41	11.57
59½	48	Treasury 5pc '86-89	51	+¼	9.95	13.69
103¾	87¼	Treasury 13pc 1990‡‡	93⅛	+½	14.78	15.11
75⅞	61⅛	Treasury 8¼pc '87-90‡‡	63⅞xd	+½	12.90	14.37
60	47⅞	Funding 5¾pc '87-91‡‡	50⅞	+½	11.53	13.90

Over Fifteen Years

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 39⅞% (based on $US1.6580 per £)

Conversion factor 0.7170 (0.7168)

CANADIANS

S.E. List Premium 39⅞% (based on $1.7044 per £)

BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

صكذا من الاصل

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

For Bandanga Hldgs. see Purbeck Grp.

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

MINES—Continued

FAR WEST RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
710	250	Blyvoor 25	380	+10	Q75c	1.6	14.3
£14	440	Buffels R1	710	+30	†Q125c	1.6	‡
140	70	Deelkraal R0.20	90	+4	—	—	—
760	125	Doornfontein R1	250	+10	Q55c	2.2	15.9
965	530	East Dries R1	660	+15	Q75c	1.7	8.2
280	122	Elandsrand Gld 20c	170		—	—	
190	44	Elsburg R1	104	+4	Q95c	ϕ	‡
£16½	520	Hartebeest R1	£11	+⅝	Q190c	1.3	‡
695	260	Kloof Gold R1	460	+30	Q47c	1.5	7.4
760	140	Libanon R1	325	−5	Q60c	2.0	[illegible]
740	230	Southvaal 50c	390	+20	Q5c	1.3	[illegible]
245	92	Stilfontein 50c	158	+3	Q22c	ϕ	‡
£20¼	700	Vaal Reefs 50c	£11¼	+¼	Q175c	2.1	‡
420	48	Venterspost R1	170	+15	Q25c	3.6	11.6
£35	£11¼	W. Dries R1	£20¾	+¼	Q335c	1.5	12.9
315	68	Western Areas R1	164	+2	Q15c	ϕ	‡
£15¼	480	Western Deep R2	820	−20	[illegible]	1.6	‡
290	100	Zandpan R1	179	+8	[illegible]	1.0	‡

O.F.S.

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
170	60	Free State Dev. 50c	120	+5	Q9c	0.6	[illegible]
£22½	715	F.S. Geduld 50c	£11½	+½	Q250c	ϕ	12.6
200	50	F.S. Saaiplaas R1	94	+6	6c	2.6	4.5
465	170	Harmony 50c	310	+10	†Q65c	1.9	‡
195	38	Loraine R1	83	+8	10c	0.5	[illegible]
£18½	600	Pres. Brand 50c	£10	+¼	Q170c	ϕ	[illegible]
£15	395	Pres. Steyn 50c	760	+40	Q45c	ϕ	[illegible]
£23½	750	St. Helena R1	£12½	[illegible]	Q270c	ϕ	[illegible]
174	70	Unisel	136	−10	—	—	—
330	125	Welkom 50c	190	+5	Q15c	ϕ	5.7
£25½	950	W. Holdings 50c	£15	+¼	Q310c	ϕ	15.9

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
85	35	Botswana RST P2	40	....	—	—	—
335	155	Messina R0.50	175	....	Q45c	ϕ	17.9

MISCELLANEOUS

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	8	Burma Mines 17½p	9	....	0.1	ϕ	1.3
35½	15½	Charter Hall 5p	22	....	—	—	—
990	550	Cons. Murch. 10c	660	....	Q140c	ϕ	15.2
440	245	Northgate C$1	390	−20	—	—	—
239	122	R.T.Z.	145	....	†5.96	2.1	6.3
112	55	Sabina Inds C$1	60	−2	—	—	—
£15⅝	£10	Tara Expln. $1	£12½	−⅛	—	—	—
45	32½	Tehidy Minerals 10p	32½	−½	†h1.08	ϕ	5.2
145	84	Yukon Cons. C$1	109	....	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- ♠ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Unlisted security.
- ≠ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim; reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✦ Regional price.
- ǁ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend; cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend; cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment; Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 30

FINANCIAL TIMES
Tuesday December 7 1976

Callaghan, Kissinger meet on Rhodesia this week

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

DR. HENRY KISSINGER, the U.S. Secretary of State, is to have talks in London this week with Mr. James Callaghan, the Prime Minister, and Mr. Anthony Crosland, the Foreign Secretary, on the key question of Britain's role in a Rhodesian settlement.

The meeting set for Friday after Dr. Kissinger's return from the NATO Ministerial meeting in Brussels, will be the cumination of a series of discussions principally designed to define the precise role Britain should play in the Geneva conference on Rhodesia, and in a transitional Government of the country.

The conference is in its sixth week, with only 10 full working days to go before the date set for its formal conclusion, and Britain's role is seen as increasingly crucial if the conference is to have any chance of achieving its aims.

Mr. Ivor Richard, the conference chairman, returned from Geneva last night and will spend the day in consultation with Mr. Crosland.

Although his visit, the third since the conference opened, is described as "routine" by officials, it is clearly designed to plan future conference strategy, particularly in the light of the declared intention of Mr. Ian Smith, t heRhodesian Premier, to return to Geneva this week.

Since the conference deadlock over the independence date was broken nearly two weeks ago, Mr. Richard has heard the views of all five delegates to the conference on establishment of an interim Government.

These have shown that the gap between the Africans and the white Rhodesians is as wide as ever, revealing the critical role that Britain may now have to play if there is to be a compromise.

In the view of observers not only in Geneva but in London and Washington, Britain is faced with the choice of declaring to the conference the full extent of the role she is prepared to play in the interim Government, in the hope that this will make compromise possible, or risking a conference breakdown.

In a written statement to the Commons last week Mr. Anthony Crosland went further than ever before in declaring that the Government was prepared to play a "direct role in the transitional Government if it is the general view that this would be helpful."

But there is continuing opposition in the Cabinet and the Labour Party as a whole, to British involvement in Rhodesia, and thus conflicting views as to whether Britain can take a more positive stand in Geneva

These questions are likely to be discussed with Dr. Kissinger, as also will be the likely reaction of Mr. Smith to greater British involvement.

So far the white Rhodesians have insisted that the Geneva Conference is merely to set up a Council of State, part of the two-tier Government under the so-called Kissinger plan, and have firmly rejected a British role.

However, observers feel that Mr. Smith's return to Geneva at least suggests willingness to negotiate on this point.

Wealth tax is TUC price for cuts

By Roy Rogers,
Labour Correspondent

THE TUC has persuaded the Government to consider restoring proposals for the introduction of a wealth tax to its legislative programme in this session of Parliament.

Yesterday's meeting of the TUC-Labour Party liaison committee agreed to set up a joint working party "to consider the options for the form of a wealth tax, and to report back to the liaison committee with firm recommendations."

Mr. Jack Jones, general secretary of the Transport and General Workers' Union, won this concession which is likely to be viewed in some quarters as a sop to the TUC in return for continued union support for the social contract and help soften the blow of impending expenditure cuts.

Following yesterday's meeting Mr. Len Murray, the TUC

Mr. Len Murray: "Within life of Government."

general secretary, said that he hoped the working party would find a practical way of introducing a wealth tax within the lifetime of the present Government.

Government coolness to the idea of a wealth tax was based on preliminary examinations which indicated that it would be very difficult to draw up a feasible scheme. These problems were reiterated again yesterday by Mr. Denis Healey, the Chancellor, who also came in for a predictably rough ride for his economic policies from some of the Left-wing Labour Party members on the liaison committee.

In the vanguard of this criticism were Mr. Norman Atkinson and Mrs. Barbara Castle, who accused the Chancellor of complacency and of seeking to worsen the unemployment situation.

Mr. Jones also warned the Government against linking unemployment and social security benefits to wages in the future instead of prices as at present. He was assured by Mr. James Callaghan, the Prime Minister, that no decisions had been taken on this matter as yet.

Much of yesterday's meeting was spent discussing the need to maintain the Government's industrial strategy and according to Mr. Murray everyone present agreed on that.

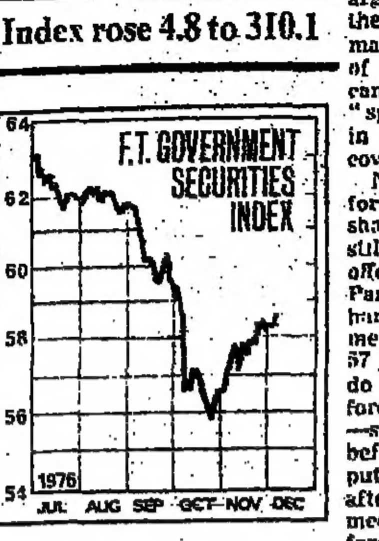
THE LEX COLUMN

Measuring gold's next hurdle

With only £150m. to £200m. left in official hands the long-tap Treasury 15¼ per cent. 1996 had for some days been vulnerable to any reasonable display of interest by the market, and in the end it was declared exhausted at lunchtime yesterday. This gave gilt-edged prices a modest boost, especially at the long end, and the FT Government Securities Index has now rallied almost 5 per cent. over the past six weeks or so.

Since the economic package is due next week (possibly on Thursday) the timing of a replacement tap does, however, pose slight problems. A conventional Friday announcement would lead to the new stock being open for subscription on the Thursday and to first deal*ings on Friday week*, when the terms might look badly wrong either way. If the announcement is brought forward to to-day then at least the tap could be in operation ahead of the event. Or the authorities may feel, now that they are well up with their funding *targets*, that the announcement of a new tap can be left until the market's initial reaction is known at the end of next week.

Index rose 4.8 to 310.1



Gold

The bullion markets are far less wary now of the regular *IMF gold* auctions than they were when they first began in June. Nevertheless, to-morrow's auction, the fifth, is of more than usual interest. At $134.65 per ounce, the gold price is currently $8 above the price struck at the time of the first auction (the peak), and $17 above the level of the fourth auction at the end of October.

The auction conditions have been altered slightly. Gold will be delivered to successful bidders at the Bank of England rather than in New York, and the IMF has decided to auction the metal on a common price basis as it did in the first two auctions. On past performance this appears to have encouraged more speculative bids and resulted in a softer after-market.

However, the market is in a much stronger fundamental position than it was when the auctions first began. The appearance of the Bank for International Settlements as a bidder at the last auction was interpreted bullishly as was the unconfirmed report that part of its purchase was on behalf of Japan. In addition, European investors have returned to the market. With three-month Euro-dollar rates of 5 per cent., financing costs are half what they were when the gold price was at its peak at the end of 1974.

Against this more buoyant demand background the *IMF's* plan to sell an additional 25m. ozs of gold back to its members at the official price over the next few years could threaten the bullion market's new-found strength. The first sales are expected to take place within the next month or two, and will probably amount to a quarter of the total, though members with balance of payments problems can postpone their participation in the distribution. How much of the gold will be re-sold on the free market is unknown. The developing countries—faced with a rising debt burden—could be expected to take their profit, but then they may have trouble in paying for the gold in the first place.

JFB/Dunford

The Johnson and Firth Brown/ *Dunford and Elliott* circus has now moved from the High Court to the Take-over Panel, where it could take another week to go over the rights and wrongs of JFB's access to confidential financial information about Dunford. It is hard to see which specific provisions of the Code *can be invoked* by Dunford in its attempt to fend off the JFB offer — indeed, its own legal action appeared to run counter to general principle four. But general principles one and two may provide some scope for argument; they sugg... there are "limitations... manner in which the... of the interests of... can be carried out... "spirit of the Code"... in circumstances not... covered by any rule.

Now Mr. Frank W... ford's chairman, poin... shareholders that: "... still not posted the... offer." The dealings... Panel, which must mak... hard for JFB to act... mentioned. But at le... 57 per cent. of sharehol... do not yet know D... forecasts of this year's... —said in court to indic... before interest of £3m... put in the picture... after the extra-ordinary... meeting on December... forecasts have apparen... already vetted by D... auditors, but there m... problem in deciding th... information to releas... after all, has seen... simple profit projectio... also comprehensive... budgets.

LOFS

The interim tradi... presented by London... seas Freighters is ... with the fleet continuin... money and profits on s... ing expected to fall... £3.46m. at the trading ... £2m. this year. But th... *situation is looked on* ... porary with Austin and ... gill working through the... its fixed price contracts... tankers have recently... recommissioned at an op... profit and the dry car... is still being exte... slimmed down.

Right now, though, ... earnings are not all th... vant to LOFS' stock ... status. The shares have... in a 30p to 40p trading... since the middle of 197... the market waiting for ... shipbuilding nationalisat... watching the group buil... cash balances by ship sal... year something like ... deadweight tons will hav... sold—roughly 30 per ce... the total fleet—and th... bulk carriers due for ... in 1977 will replac... 100,000 tons of this. S... weak performance has p... pushed up secured d... around £38m. But cash i... to emerge on the right... £20m. by next March—... trast to a market capita... at 36½p of £11¼m. The... yield 8.8 per cent.

U.K. ready to drop Nimrod system

By Malcom Rutherford

BRUSSELS, Dec. 6.

BRITAIN IS ready to vote in favour of the proposed $2.4bn. (nearly £1.5bn.) Nato Airborne Warning and Control System (AWACS) at the Defence Ministers' meeting which opens here to-morrow.

Assuming sufficient support for AWACS in the rest of Nato, the decision will mean the dropping of the British alternative airborne early-warning system, based on a development of the Hawker Siddeley Nimrod anti-submarine aircraft.

Although the precise division of the costs still depends on the number of participants in the AWACS programme, the British contribution is likely to be about $450m., of which it will receive about one-quarter back in terms of defence contracts.

Since the money for an early-warning system is already in the British defence budget, it is hoped that a commitment to AWACS could go ahead without being affected by cuts in Government expenditure. The funds would simply be transferred from Nimrod to AWACS.

Optimum

One of the main outstanding questions about AWACS *is whether or not the French* will participate. If they do, the number of aircraft involved is likely to go up and the financial contribution of the other participants to come down.

It is understood that the French will make their decision known in the next two days while the Defence Ministers are meeting. (The French do not take part in such sessions.)

The optimum number of the Boeing E-3A aircraft required for AWACS is still put at 32, if Nato is to have a completely comprehensive radar cover against low-flying missile or aircraft attack.

Most of the Alliance's defence experts would gladly settle for 27, and it is admitted that the minimum figure for effective cover is 22. Anything below that would mean extensive gaps in radar coverage of Europe.

Much of the discussion in the next two days will be about *how to achieve the 27 target*. This will have to be done by bringing in as many of the smaller members of the Alliance as possible.

Jobs loss

The formal decision will probably take place on Wednesday since Mr. Fred Mulley, the British Defence Secretary, will miss most of to-morrow's proceedings because of the British Cabinet meeting.

Michael Donne, Defence Correspondent, writes: Abandonment of the British Nimrod for the future airborne early-warning role in Nato (it would continue to be used in the anti-submarine role) would mean the loss of a substantial number of jobs in Hawker Siddeley Aviation.

Work on the Nimrod for the airborne early-warning role has been continued as an insurance measure against any Nato rejection of the AWACS. Acceptance of AWACS by Nato would be bound to result in cancellation of Nimrod, since Britain could not afford both.

Cabinet undecided on how spending axe should fall

BY RICHARD EVANS AND PETER RIDDELL

THE CABINET yesterday started discussing the broad areas of public expenditure where cuts should be made after reaching general agreement at the end of last week on the size of the reduction in the public sector borrowing requirement in 1977-78.

Among the proposals known to be under discussion are *changes* in the way social security benefits are uprated and the postponement of certain public sector construction projects.

No decisions were reached at yesterday afternoon's meeting, which was attended by Mr. Joel Barnett, Chief Secretary to the Treasury who is in charge of public spending, and a further meeting will be held this morning.

It is possible that the discussion will spill over into Thursday's regular Cabinet as well and no statement is expected until next week on the economic package and the outcome of the talks with the IMF on the $3.9bn. loan sought by Britain.

While the Cabinet's general agreement at the end of last week on a £2bn. reduction in the PSBR in 1977-78 was being presented by some "moderate" opponents of "deflation" as a compromise, it is clear the broad orders of magnitude approved do not differ significantly from those in the paper presented a fortnight ago by Mr. Denis Healey, the Chancellor of the Exchequer.

The details of the package are *still far from settled* and there is opposition from Mr. Anthony Wedgwood Benn, the Energy Secretary, to the proposed sale of part of the Government's holding in British Petroleum. It is now known that the shares involved are between 17 and 20 per cent. of the company's equity from the former Burmah stake now controlled by the Bank of England.

Benefits

The proposal to change the method of uprating certain social security benefits — notably short-term ones such as unemployment pay — is also controversial. *The Treasury has for* some time been studying an idea to index-link the benefits to average earnings rather than the cost of living.

The Treasury is also known to have been examining proposals for reducing housing subsidies which would increase council house rents.

It emerged yesterday that members of the IMF team under Mr. Alan Whittome would remain in London for the time being until the Cabinet discussions are complete.

● The Tribune Group of Labour MPs last night warned the Government that it could not rely on their support if any further cuts in public expenditure now being demanded by the IMF were agreed by the Cabinet

They also expressed total opposition to any disposal of publicly owned assets, such as British Petroleum shares, on the grounds that this could make no meaningful contribution to strengthening the economy.

The group recognised the Government was in an extremely difficult situation, but this could have been avoided, it claimed, *if Ministers had adopted* the alternative policies advocated not only by the Left-wing but by the TUC, the Party Conference, and the NEC.

Rugby Portland decision 'most inappropriate,' says chairman

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

SIR HALFORD REDDISH, who is resigning as chairman of Rugby Portland Cement in two weeks time after 44 years with the company, last night described as "most inappropriate" the decision to appoint Lord Boyd-Carpenter as his successor.

Lord Boyd-Carpenter, the present deputy chairman, will take over Sir Halford's duties on December 20. His appointment ends a Boardroom row in which a majority of the directors had disagreed with Sir Halford over his choice of a replacement—believed to be Mr. Brian Wood of the company's legal department—and over other Board appointments he wished to make.

Mr. Maurice Jenkins, the managing director of Rugby Portland, will be one of two deputy chairmen and also become chief executive, a post previously held by Sir Halford.

Sir Halford, who is paid £46,000 a year, said he was not prepared to elaborate on the circumstances surrounding the boardroom rift and would not say whether his original plan to maintain his connections with the company in an advisory capacity had now been abandoned.

Mr. R. G. Gee, the company secretary and a director of Rugby Portland, said he was not in a position to comment on whether, after his resignation, Sir Halford would have any further association with the company.

The Board meeting to decide the new executive structure of the company was held on Friday, although a statement was delayed until to-day to allow time for the company's 3,000 employees to be told of the changes.

The statement said that Lord Boyd Carpenter would replace Sir Halford and would devote the main part of his time to the affairs of the company. Lord Boyd Carpenter, a former Conservative Minister, has been chairman of the Civil Aviation Authority since its formation in 1971 and is due to retire from that postion next March.

The other director to become a deputy chairman is Mr. R. A. W. Caine. Mr. R. J. Morgan, the finance director, is relinquishing his executive functions on December 31, but will continue as a director of the company.

Mr. Gee said that the appointment of a finance director had yet to be decided. He could not say whether there would be any further appointments to the Board.

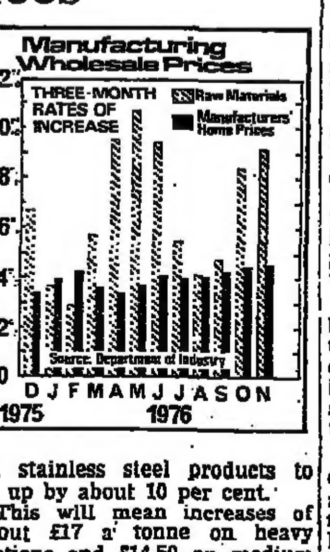
Continued from Page 1

Wholesale prices

materials bought by food manufacturers is continuing to rise rapidly. An increase of 3½ per cent. last month has lifted the index by 11.7 per cent. over the last three months.

The higher prices include, in particular, coffee, cocoa bean and wheat. Any eventual devaluation of the EEC "Green Pound" will *also push up this index*.

This is also working through to the price index for manufactured food which rose by 1½ per cent. last month after an average monthly increase of 2¼ per cent. in the previous quarter. But this may be only a temporary respite with higher prices for coffee and feed stuffs in the pipeline.



Excluding the food sector, manufactured prices rose by 2 per cent. last month—the same as last January, which had been the largest increase since April, 1975.

But last month's rise may have been artificially large since higher prices for petroleum products and vehicles accounted for half the overall increase.

The rate of rise in the year-on-year index for all manufactured products increased for the fourth month running: the rise is now 17½ per cent.

● BSC is to increase prices of certain steel products early next month.

Although there is *no official* confirmation of the increases, customers are expecting prices of steel sections and most if not all stainless steel products to go up by about 10 per cent.

This will mean increases of about £17 a tonne on heavy sections and £14.50 on medium sections.

The reasons for the higher prices are increased raw material costs and the corporation's continuing attempts to keep prices as high as the market will stand.

The chances of BSC breaking even this year, as had been hoped in the summer, are now considered to be increasingly remote but a pricing policy carefully attuned to the market represents BSC's best chance of curtailing a deficit now almost inevitable because of the fall in world demand.

Silkin promises curb, Page 37

Continued from Page 1

Heath

held in the Shadow Cabinet, which is for a directly elected assembly, but one with virtually no executive power.

Mr. Heath believed that the Government's Bill, although far from satisfactory, nevertheless embodied the principle of devolution and it was therefore "unthinkable" that those who had believed for so long in this principle should be expected to vote against it.

"The arrangement announced by the leader of the Conservative Party recognises that everyone in the party will act according to their convictions. This is an appropriate statement for her to have made."

*Among the failings of the Gov*ernment's Bill, Mr. Heath drew attention to the inadequate financial arrangements for Scotland and the need to show a full appreciation of the feelings of English MPs about Scottish over-representations at Westminster once the Edinburgh assembly had been established.

He stressed that the establishment of the assembly would provide a bigger challenge to Scottish Conservatives than they had ever had to face before.

"They can show that they are a party which have the interests of all the people of Scotland at heart, a party which will fight *fiercely for them, and which at* the same time will play its full part as a national party in the affairs of the U.K."

Cruise bookings top 2,600

A RECORD number of people *will seek the sun in the Atlantic* isles in the cruise ship Monte Granada.

The ship sails to-day from Liverpool and with five months of the season left passenger bookings have topped 2,600 — the best since the sailings started from Liverpool in 1959.

Mr. Geoff Jones, managing *director of Yeoward Brothers*, shipping agents, said that they expected 3,000 passengers would be carried this season.

Weather

U.K. TO-DAY

SHOWERS, sunny intervals. Snow in places.

All parts of England and Wales, Channel Is., Is. of Man, all parts Scotland, Orkney, Shetland

Sunny intervals; showers, perhaps snow. Max. 4-6C (39-43F).

Outlook: Wintry showers, sunny intervals. Night frost.

Lighting-up: London 16.22, Manchester 16.21, Glasgow 16.14, Belfast 16.29.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Alexndria.	C	21	70	Madrid	C	14	57
Amstrdm.	Sl	1	34	Manchstr.	F	6	43
Athens	S	17	63	Melbourne	C	26	79
Barcelona	C	15	59	Milan	F	5	41
Belfast	C	5	41	Montreal	C	−5	23
Belgrade	C	3	37	Moscow	C	3	37
Berlin	S	3	37	Munich	F	1	34
Birmnghm.	F	6	43	Newcastle	F	5	41
Bristol	C	7	45	New York	C	1	34
Brussels	C	5	41	Oslo	Sn	−1	30
Budapest	Fg	0	32	Paris	F	10	50
B Aires	S	31	88	Perth	F	27	81
Cairo	S	21	70	Prague	F	3	37
Cardiff	C	7	45	Reykjavik	F	−2	28
Cologne	C	4	39	Rio de J'o	C	30	86
Copnhagn.	C	3	37	Rome	C	12	54
Dublin	S	5	41	Singapore	S	29	85
Edinb'rgh	S	5	41	Stockholm	S	3	37
Frankfurt	C	4	39	Strasb'rg.	Sl	3	37
Geneva	Sl	3	37	Sydney	F	28	82
Glasgow	F	5	41	Tel Aviv	C	22	72
Helsinki	C	1	34	Tokyo	C	10	51
Hong Kong	S	19	66	Toronto	C	−1	30
Jo'burg	S	26	79	Vienna	C	−1	30
Lisbon	Dr	15	59	Warsaw	S	0	32
London	S	8	46	Zurich	Sn	−1	30
Luxemb'g	Sl	0	32				

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	C	13	55	Jersey	F	10	50
Algiers	C	20	68	Las Plms.	C	19	66
Biarritz	C	12	54	Locarno	F	3	37
Blackpool	F	5	41	Majorca	C	16	61
Bordeaux	C	13	55	Malaga	C	21	70
Boulogne	R	6	43	Malta	S	17	63
Casablnca.	C	20	68	Nairobi	S	24	75
Cape Town	C	22	71	Naples	F	12	54
Corfu	F	15	59	Nice	C	9	48
Dubrovnik	F	12	54	Nicosia	C	21	70
Faro	C	17	63	Oporto	R	14	57
Florence	C	9	48	Rhodes	C	21	70
Funchal	S	20	68	Salzburg	F	3	38
Gibraltar	C	17	63	Tangier	C	17	63
Guernsey	C	9	48	Tenerife	C	14	57
Innsbruck	F	1	34	Tunis	S	16	61
Inverness	R	3	37	Valencia	C	20	68
Isle of Man	C	7	45	Venice	F	8	46
Istanbul	R	13	55				

Sl—Sleet. S—Sunny. C—Cloudy. F—Fair. Dr—Drizzle. Sn—Snow. Fg—Fog.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London EC4P 4BY.